Daily Report

Latin America

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Central America Reacts 'Positively' to Clinton

PA0112004593 Mexico City NOTIMEX in Spanish 2238 GMT 30 Nov 93

[Excerpts] Guatemala City, 30 Nov (NOTIMEX)—Central America reacted positively today to U.S. President Bill Clinton's message of encouragement for free trade and the struggle against poverty. Clinton today received the Central American presidents at the White House. The business, political, and diplomatic sectors of the region considered the U.S. Government's position to act as a partner with Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, and Belize as "highly positive."

President Clinton said this Tuesday in Washington that some regions of the world have suffered, but none has suffered like Central America, an area that has lived under an atmosphere of instability due to armed conflicts. Clinton's message about maintaining economic aid to Central America and increasing its influence to accelerate the democratic process and respect for human rights and the environment represented the "hope" for new relations between the isthmus and the United States.

U.S. Ambassador to Guatemala Marilyn McAffee said the Central American presidents' meeting with Clinton is an opportunity to open the doors of commerce.

Businessmen in the region hope to increase their sales to the U.S. market, to which they exported $1,802,439,000 in 1992 but imported $6 billion, according to numbers quoted by Clinton.

The Coordinating Committee for Agriculture, Commercial, Financial, and Industrial Associations (CACIF) said the willingness for greater commercial openness expressed by the U.S. Government provides certainty for investment and bolsters exports. "The United States must show the countries of the isthmus that the North American Free Trade Agreement (among the United States, Mexico, and Canada) could be an opportunity for development not only for North America but also for the nations struggling to end many years of underdevelopment," they said.

The Secretariat of Central American Economic Integration (SIECA) said the United States must channel economic resources to Central America to help it overcome the economic pitfalls and poverty it is currently experiencing. SIECA President Rafael Rodriguez Loucel recently told NOTIMEX that the Central American governments must reduce the unproductive spending of the Armed Forces, because for every doctor there are 18 soldiers. The countries of the area spend $6,000 annually [as received] to maintain the 149,000 soldiers, whereas every year they require $2.5 billion to recover their development and overcome poverty. [passage omitted]

Guatemalan Presidency Spokesman Felix Loarca added that "we Central Americans demand not a paternalist policy but an opportunity to make our products competitive."

The Association of Nontraditional Products Exporters (Gexpront) said "we exporters must prepare ourselves to compete and enter the largest market in the world formed by the United States, Canada, and Mexico with a potential 360 million consumers." Gexpront said incorporation into the trade pact must include two elements: adaptation of the Caribbean Basin Initiative to obtain advantages and special treatment such as that given to Mexico, and the elimination of barriers to natural markets like the Mexican market. [passage omitted]

Cuba

Alarcon, Delegation Arrive in China

FL3011165193 Havana Radio Reloj Network in Spanish 1555 GMT 30 Nov 93

[Text] Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], arrived today in the PRC on a one-week official visit. This visit marks the rise to the highest level of the ties of friendship between the two legislatures. During this, his first visit to this Asian country, Alarcon was received in Beijing by Chen Muhua, vice chairman of the National People's Congress, and other PRC officials. Alarcon is accompanied by General Moises Sio Wong, president of the Cuba-PRC Friendship Association, and Juan Manuel Gonzalez, ANPP secretary.

The Cuban delegation will begin its official meetings with PRC officials today and will also visit sites of socioeconomic interest. On 2 December the delegation will travel to Guangzhou, Guangdong Province. The delegation will then visit Shenzhen, an economic center par excellence.

Meets With Qiao Shi

FL3011195393 Havana Radio Rebelde Network in Spanish 1800 GMT 30 Nov 93

[Text] Ricardo Alarcon, president of the National Assembly of the People's Government [ANPP], met today with Qiao Shi, chairman of the Standing Committee of China's National People's Congress [NPC]. During the meeting the two officials expressed their wishes that the ties of friendship between the two countries will be strengthened. Alarcon told PRENSA LATINA that during the meeting he expressed his hope that his current visit to the PRC would contribute to this. The ANPP president today began a one-week visit to Beijing and Guangdong Province. During the meeting with Qiao Shi, Alarcon said that he hopes this visit will deepen his understanding of China's experiences along its path toward reform and opening. Qiao Shi told his guest that the bilateral relations are good and mentioned the hospitality the Cuban Government and people offered Chinese President Jiang Zemin during his visit to Havana.

Robaina on Talks With U.S. on Migratory Issues

PA3011183893 Havana Radio Havana Cuba in Spanish 0000 GMT 30 Nov 93

[From the "Evening Information Review" newscast]

[Text] Foreign Minister Roberto Robaina has announced in Havana that Cuban and U.S. Government representatives would be meeting again shortly to discuss migratory issues.

In statements to foreign correspondents accredited in the capital, Robaina denied that any third country will act as a mediator in discussions with the United States. Robaina also said that the only condition demanded to reestablish relations with Washington is absolute respect toward Cuba.

Indian Foreign Minister Meets With Castro

FL3011143193 Havana Radio Progreso Network in Spanish 1200 GMT 30 Nov 93

[Text] Commander in Chief Fidel Castro received Salman Khurshid, India's minister of state for external affairs, who in this manner concluded his official visit to Cuba made at the invitation of Foreign Minister Roberto Robaina. Castro and Khurshid talked about issues of common interest in what was the last meeting held by Khurshid in Havana during his stay of slightly over one day in Cuba.

Earlier, Khurshid, a 40-year-old lawyer and historian, had met with Carlos Lage, secretary of the Executive Committee of the Council of Ministers, Foreign Trade Minister Ricardo Cabrisas, and Ernesto Melendez, minister president of the State Committee for Economic Cooperation.

Minutes before his departure, Khurshid stated at Jose Marti International Airport, that they discussed possibilities of increasing commercial and cooperation ties and, above all, identified new areas within those realms. In this regard, he mentioned pharmaceutical products, sugarcane agriculture machinery, fishing, and sectors of interest to India. India will extend an invitation to a Cuban delegation to visit New Delhi. The Indian minister also said that the possibility of creating joint enterprises will be studied and that India's cooperation program might even provide specialized aid.

Khurshid invited Robaina to visit India. Robaina expressed his gratitude in this regard but pointed out that his next work trip will be to Africa.

Says 'Significant' Accords Achieved

FL3011144393 Havana Radio Progreso Network in Spanish 1200 GMT 30 Nov 93

[Text] On 29 November, Salman Khurshid, India's minister of state for external affairs, and a high-level delegation from the Indian Government concluded their visit to Cuba. Khurshid stressed that significant cooperation accords have been attained, mainly in the pharmaceutical, biotechnology, and sugarcane agriculture sectors. He added that joint enterprises will be created in areas such as fishing, agriculture, and manufacturing industries.

[Begin Khurshid recording, in English with passage-by-passage translation into Spanish] We will send a high-level delegation of businessmen within the next three months. Before coming to Cuba, they will be able to study certain documents that I am taking with me regarding the latest Cuban economic policies. [end recording]

Khurshid also stressed that India's foreign policy is giving great priority to the region of Latin America and the Caribbean, basically Cuba, due to Cuba's characteristics and the possibilities for tourism exchange with India. We can stress that cooperation could be highly significant for next year due to the characteristics of both nations and the similarity of industries both nations have to offer.

Cuban Foreign Minister Roberto Robaina Gonzalez bade farewell to the distinguish visitor, Salman Khurshid, the minister of state for external affairs, at Jose Marti International Airport.

UN Ambassador Questions U.S. Human Rights Authority

FL3011143793 Havana Radio Rebelde Network in Spanish 1000 GMT 30 Nov 93

[Text] The United States' manipulation of human right issues in Cuba was denounced at the third commission of the UN General Assembly by Cuban UN Ambassador Fernando Remirez de Estenoz. The Cuban diplomat added that Washington uses the human rights issue to press for internal changes and to create conditions favorable to strangling Cuba. Likewise, Remirez de Estenoz, stressed that the United States is doing everything possible to have the United Nations conduct so-called humanitarian interference in response to alleged civil conflicts and domestic disturbances.

In contrast, Remirez de Estenoz pointed out that Cuba rejects the existence of a special rapporteur, which Washington attained by selectively and discriminatorily violating established UN procedures in this regard. Remirez de Estenoz also stressed that the United States, as the promoter of the special rapporteur for Cuba, lacks the moral and political authority to appoint itself human rights judge in Cuba in light of its maintaining a criminal blockade against the Cuban people for more than 30 years.

Prieto, Contino, Greet Returning Athletes

FL3011160393 Havana Radio Reloj Network in Spanish 0300 GMT 30 Nov 93

[Text] Abel Prieto, member of the Politburo of the Central Committee of the Communist Party of Cuba, greeted the group of athletes who represented Cuba in events such as boxing, bicycling, gymnastics, weight lifting, softball, and basketball. The 124 athletes returned to Havana aboard a direct flight from Ponce. The athletes, who once again demonstrated Cuba's strength in the international sports arena, also met with Juan Contino, first secretary of the Union of Young Communists. Prieto, who is also president of the National Union of Cuban Writers and Artists, praised the athletes for their performance during the games and stressed its importance for the country. Prieto said: These are today's youths who, despite the problems caused and traps set by the enemy, have done well. This is the example given us by (?Nadina Portuondo), Felix Aguilera, and many others who have excelled in the sports arena thus proving [words indistinct].

Athletes Condemn Deserters

PA3011231393 Mexico City NOTIMEX in Spanish 1615 GMT 30 Nov 93

[Text] Havana, 30 Nov (NOTIMEX)—Today the Cuban delegation that participated in the XVII Central American and Caribbean Games portrayed those athletes who decided to defect in Ponce, Puerto Rico as "a group of weaklings [sietemesinos] who opted to throw away their dignity and honor." In a letter of support to President Fidel Castro published today in "GRANMA," the official mouthpiece of the Cuban Communist Party (PCC), more than 800 Cuban athletes pointed out that those who speak of demoralization and disorderly flight are "just a small group of weaklings." The athletic delegation's letter, issued in Ponce, Puerto Rico, points out that those who deserted forgot about "the fortitude and courage of Cubans today who are committed to saving the country, the revolution, and socialism's accomplishments." They recalled a phrase by Cuban Poet Jose Marti: "The weak, respect: the strong, forward! This is a task for the strong." The athletes also said that the more than 190 gold medals won at the games, the 64 Central American and Caribbean records and the three world records broken, honor Cuban delegation's performance during these games,

The Cuban media, breaking its traditional silence, publicized the names of the athletes who decided to desert in Ponce, Puerto Rico. During broadcasts, Cuban radio and television commentators have referred to pressures the athletes must confront from organizations in exile that encourage them to desert by offering large sums of money.

During the XVII Central American and Caribbean Games in Ponce, Puerto Rico, Cuba won 363 medals: 227 gold, 75 silver, and 61 bronze.

Atomic Energy Delegation Travels to Vienna

FL3011204293 Havana Radio Rebelde Network in Spanish 1800 GMT 30 Nov 93

[Text] An Atomic Energy Commission Executive Secretariat delegation traveled today to Vienna to attend the second meeting of the Board of Governors of the International Atomic Energy Agency [IAEA]. Andres Garcia de la Cruz, executive secretary of the Atomic Energy Commission and head of the Cuban delegation, explained that one of the main topics to be broached at the meeting will be the reinforcing of the system for the protection of that international organization.

Cuba's progress in the field of atomic energy earned its reelection, for the fourth consecutive term since 1983, on the IAEA Board of Governors.

AIDS Center Director, Patients on Treatment

FL0112031693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Dec 93

[Report by NTV correspondent Nestor Labrada on the Ciego de Avila AIDS Sanatorium, including interviews with the sanatorium director and patients; date not given—recorded]

[Text] [Labrada] Every 24 hours approximately 5,000 people in the world become infected with the Human Immunodificiency Virus [HIV], which causes the Acquired Immune Defficiency Syndrome [AIDS]. This is the AIDS Sanatorium of Ciego de Avila, one of the 13 currently operating in Cuba. In these centers, more than 900 patients receive dedicated care. For each patient, the state spends more than 28,000 pesos annually. The centers form part of the extensive program operating in Cuba to prevent the spread of the epidemic, a program that ranges from testing (?pregnant women) to monitoring cases. Orestes Antonio Varo, director of the Ciego de Avila Sanatorium, points out that patients receive not only medical treatment but also the understanding and affection that is needed in these cases.

[Varo] Efforts are made to keep the patients healthy and to establish a favorable psychological environment that will ultimately benefit their health. Furthermore, we prepare the patients for a future mobile service, which we hope to implement soon. The Ministry of Public Health is currently working very hard on this program so that our patients can return to the streets and live a normal life.

[Labrada] For four consecutive days, these patients at the [words indistinct] receive the necessary treatment. They spend the rest of the week with their relatives at home.

[First unidentified patient] Life in the sanatorium is very good. The truth is that if it were not for the sanatorium and the government, we would not be receiving any treatment.

[Labrada] Many would like to incorporate themselves into society.

[Second unidentified patient] I would like to continue my normal life.

[Labrada] To this day, many associate the sickness with moral problems and do not understand that AIDS is a disease that affects all people and one that it is everybody's responsibility to prevent.

[Third unidentified patient] I call on the youth and the population to maintain stability with regard to their partner; to practice safe sex; and not to reject people with AIDS just for being infected, but to help us overcome this evil so that we can all overcome it.

Barbados

Prime Minister Delivers Independence Day Address

FL3011160593 Bridgetown CANA in English 1547 GMT 30 Nov 93

[Text] Bridgetown, Barbados, 30 Nov, CANA—Barbados on Tuesday marked the 27th anniversary of its independence, with prime Minister Erskine Sandiford underscoring the need for national cooperation to reduce crime and unemployment and boost the economy.

In an address to the nation, Sandiford said the island had made "steady social and economic progress since 1966" when it became independent of Britain. "We have not reached this point in our development by relaxing and drowning ourselves in a sea of negativity and frustration. We will never get the lawn cut or the field forked if all we do is say how thick the grass is or how hard the ground is," he asserted. He added: "Effective people are constructive people. We must control our consumption patterns and focus on areas which would increase production and wealth for our nation. We must bring down the level of unemployment. We must reduce crime. There is not much use in constantly harping on what went wrong; we must go beyond that and propose solutions that are workable. Love of one another, love of our country, and tenacity of purpose will make us a more effective people, a more achieving nation," the prime minister remarked.

Sandiford said that together Barbadians could achieve the national goels, warning, "divided we cannot. Let us remain focussed on what we know what we want to achieve. This way success will come to us as individuals, as groups, as communities and as a nation," he said.

The main highlight of the anniversary celebrations was a parade of army, police, cadets and other costumed groups at the garrison savannah, Barbados' lone horse-racing track.

Prominent Barbadian businessman John Stanley Goddard and former West Indies test cricketer Clyde Walcott topped the list of independence awards announced by the government. They have been made Knights of St. Andrew, Barbados' highest national award. Goddard heads the private sector conglomerate, Goddards Enterprises Limited. Walcott is chairman of the international cricket conference.

Haiti

Spokesman Comments on Malval-Cedras Meeting

FL3011172893 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 30 Nov 93

[Excerpts] Prime Minister Robert Malval will leave the country tomorrow for Washington where he is due to meet with Haitian President Jean-Bertrand Aristide

regarding the meetings he held with the various sectors in the country. Prime Minister Robert Malval and Army chief Lieutenant-General Raoul Cedras met on 29 November for the second time in order to discuss Haiti's crisis and prospects for a quick solution. After four hours of negotiations between the two personalities, nothing concrete resulted, according to news sources. According to the same sources, the meeting did allow the drawing up of draw several points, but no agreement was signed.

Minister of Public Works and Transport Rosemond Pradel, who participated in the meeting, told us that the government was not aware of the document published in the media, that is that the government would favor an armed struggle.

Minister of the Interior Rene Prosper announced another summit meeting between Mr. Malval and Raoul Cedras. [passage omitted]

Government spokesman Emile Jean-Baptiste stated that the meeting on 29 November was an exchange on the general situation in Haiti between Prime Minister Malval and Army chief Gen. Raoul Cedras.

[Begin recording] [Jean-Baptiste] You know that the Army and President Aristide signed an accord. In this framework, we held a second meeting on 29 November with the Army chief and the members of the General Staff.

[Unidentified reporter] What came out of this meeting?

[Jean-Baptiste] I should tell you what came out of all the meetings that we have already held. All the meetings were about the same thing: an exchange of views on the crisis that the country is facing and the means that we can use to come out of it. Prime Minister Malval is due to leave on 1 December in order to talk with President Aristide. The reason we held those meetings was to have a view of the crisis from all the sectors in the country, including the Haitian Army.

[Unidentified reporter] What did the Army say in this meeting?

[Jean-Baptiste] Thus, the prime minister is traveling on Wednesday 1 December. Before that he may address the nation in order to express his views after meeting with all the sectors.

[Unidentified reporter] Do you feel that the Army has the will to make a proposal that will extract the country from the crisis?

[Jean-Baptiste] That is all I can say right now. [end recording]

The Army for its part, according to some analysts, seems ready to reject the Governors Island accord. Furthermore, the Army did not deny the statements made by Deputy Frantz Robert Monde on 24 November, when he said that the Army was in favor of the application of Article 148 of the Constitution with a new prime minister, without Robert Malval.

Alliance Deputies Welcome Malval Resignation

FL3011225393 Port-au-Prince Radio Metropole in French 2000 GMT 30 Nov 93

[Text] Alliance bloc deputies appear to welcome with satisfaction Prime Minister Robert Malval's announcement of his possible resignation. Some went further, saying it should take place before 15 December.

On the contrary, deputies of the coalition supporting President Aristide question the consequences of such a decision. They acknowledge, however, that it would be a voluntary act.

It should be recalled that Robert Malval apparently does not intend to reconsider his decision, despite the UN call. The prime minister, who is leaving tomorrow for the United States, may give a speech to the nation within the next few hours.

Anti-Aristide Demonstration Held in Cap-Haitian

FL3011174893 Port-au-Prince Radio Metropole in French 1145 GMT 30 Nov 93

[Report by Radio Metropole reporter Jean-Claude Larousse from Cap-Haitian]

[Text] The news in the Department of the North is the presence of several thousand people in the streets of Cap-Haitian on 29 November in order to protest the embargo and the Aristide-Malval government. It is the fourth demonstration of this kind held in the city. Our correspondent Jean-Claude Larousse has details:

[Begin Larousse recording in Creole] Several thousand people demonstrated on the afternoon of 29 November in Cap-Haitian. The demonstrators marched through several streets of the city with posters, badges, and red and blue flags chanting some strange slogans against the government of Prime Minister Robert Malval, against the embargo, and against President Aristide. Let us listen to some of this demonstration. [Demonstrators chanting anti-Aristide slogans]. This demonstration, which lasted more than four hours, took place without any incident, under heavy security. Under the government of Robert Malval, this is the fourth demonstration that the Committee of Patriotic Action and Citizen's Defense [KAPDC], a people's organization led by Herve Leveille, staged in Cap-Haitian protesting the government of Robert Malval, the embargo, and President Jean-Bertrand Aristide. [end recording].

Meeting on MINUHA To Be Held in Paris

FL3011225293 Port-au-Prince Radio Metropole in French 1700 GMT 30 Nov 93

[Text] A meeting preparatory to sending into Haiti a mission charged with taking Port-au-Prince over from

the military, an effective application of the Governors Island accord, will be held on 13 and 14 December in Paris, according to Information Minister Herve Denis. This meeting, with the participation of representatives of the Haitian-friendly countries of Canada, the United States, France, and Venezuela, will establish the method for sending into Port-au-Prince a mission with the purpose of deploying MINUHA, the United Nations Mission in Haiti, whose first contigents were prevented from landing on 11 October.

The Haitian information minister, in an interview with the daily newspaper LA CROIX, L'EVENEMENT, stated that the deployment of MINUHA requires political changes in Port-au-Prince and the return to legality. Once the mission is in place, the parliament will be able to legislate and within two weeks, President Aristide will be able to return, Denis indicated.

The primary goal of the four-country mission will be to implement Point 5 of the Governors Island accord regarding the security of the UN staff in Haiti, Denis said.

Furthermore, the Haitian information minister said he favors a total embargo by the international community against Haiti in order to force the military in Port-au-Prince to step down. However, he indicated that the partial embargo on oil and arms has not been without effect: the Haitian bourgeoisie, he said, has begun to separate itself from the military. Because the police force is not being paid, there is a risk of schism in an Army which is no longer homogeneous, Information Minister Denis said in an interview with the daily LA CROIX, L'EVENEMENT and with Agence France-Presse.

U.S. President Thanks Aylwin for NAFTA Support

PY3011135093 Santiago EL MERCURIO in Spanish 19 Nov 93 p A1, A20

[Excerpts] On 18 November U.S. President Bill Clinton sent a letter to Chilean President Patricio Aylwin, thanking him for the support for NAFTA from our country and from other Latin American countries. The note says that the agreement will create the proper conditions for freer and more sustainable trade exchange, for more equitable economic development throughout Latin America and the Caribbean, and will increase the continent's competitiveness in the world market. [passage omitted]

The Chilean Government, meanwhile, expressed its desire to begin negotiations with the United States toward fully liberalizing our trade with the United States market in the shortest possible period of time, following the full ratification of NAFTA. [passage omitted]

Finance Minister Alejandro Foxley called for caution despite the expression of satisfaction officially adopted by the government. Foxley reiterated that the possible incorporation of Chile within the North American trade zone would not happen either immediately or in the short term.

Foxley also said that Chilean efforts to join the trade zone are not a priority.

Clinton and Aylwin have exchanged notes. The U.S. President has expressed interest in seeing Chile follow Mexico's path. The Chilean president agreed, and added that Chile hopes to immediately begin negotiations to join NAFTA after it has been ratified. [passage omitted]

Clinton's letter was released this afternoon by Foreign Minister Enrique Silva Cimma, who outlined the U.S. President's gesture and his interest in advancing toward trade liberalization in the entire continent.

The Foreign Ministry issued a declaration in the course of the morning. In it the Executive Branch expresses its interest in initiating as soon as possible negotiations with the United States toward the eventual incorporation of the country into the free trade region.

The note says that this intention is in accordance with U.S. Government commitments stating that once NAFTA is approved, Chile will be the first Latin American country that will be considered for joining it.

The Foreign Ministry yesterday expressed its "strongest satisfaction" over NAFTA's approval by the U.S. House of Representatives, in accordance with the objectives pursued by this government over the course of three and a half years.

The Foreign Ministry said that the swift implementation of this important agreement will be essential for disseminating the benefits of trade liberalization and economic cooperation to the entire hemisphere. [passage omitted]

Minister Alejandro Foxley expressed caution with respect to Chile's prospects for participating in NAFTA, saying that it is not something that can be achieved immediately or in the short term. [passage omitted]

Foxley said Chile's entry into NAFTA is second in priority. The minister gave first priority to the upcoming free trade agreement with Colombia, and to making progress on an agreement with Brazil. [passage omitted]

Foxley said the House of Representatives' approval of the agreement by a large margin represents a significant political victory for President Bill Clinton, and will favorably effect the other important set of negotiations which is under way, with a deadline of 15 December: the Uruguay round of the GATT talks, which aims at the multilateral liberalization of trade by lowering custom tariffs and eliminating trade barriers in all world markets, and not only in the North American market. [passage omitted]

Foxley said that Chile continues to be interested in NAFTA's expanded market and in other trade agreements.

The minister dismissed allegations that the government had exaggerated NAFTA's importance, adding that the agreement is not an absolutely essential item for Chile's development, but is an opportunity that we must take advantage of. "The fastest growing markets for Chile are Latin America and Asia. The North American trade zone is very interesting and attractive, and we will pursue the matter further, but this objective is not the only one or the most important one," the minister said. [passage omitted]

Efforts toward the incorporation of our country into that trade zone are part of a state policy initiated at the technical level by this government. Foxley believes that the process must continue, and that formal negotiations will probably begin with the next government to be elected in Chile in December. [passage omitted]

Foxley pointed out that the Chilean economy is a lot smaller that the U.S. economy, and is therefore a lot less threatening from the point of view of displacing U.S. producers or affecting employment figures, which were the great concerns of the U.S. labor organization AFL-CIO. The minister pointed out that Chilean labor laws are more advanced that U.S. labor laws regarding workers' protection.

Foxley said that the most important aspect of joining a free trade zone with Canada, the United States, and Mexico would be the strengthening of our investment process, which is already significant today. Foxley added that the signing of an agreement with North America would mean a significant boost in investors with capital from Japan, Europe, and North America, who would want to establish themselves here and use our market as a platform for entering the great North American market. [passage omitted]

Economy Minister Comments on NAFTA, Increased Free Trade

PY3011122593 Santiago ESTRATEGIA in Spanish 19 Nov 93 p 8

[Text] Chilean Economy Minister Jorge Marshall said yesterday that the ratification of the North American Trade Agreement (NAFTA) illustrates the similarity between the development strategy proposed by Chile and other Latin American countries, and the decision made by the U.S. House of Representatives.

Although he did not forecast any direct effects of this agreement, Marshall believes that the ratification strengthens proposals that favor the development of free trade and greater market access for our products and for products from other parts of the world.

While more countries are giving signals, and taking concrete actions and effective steps in this direction, Marshall said that the mutual strengthening of commercial strategies will continue.

He added: "Inasmuch we are able to have our views heard in the Uruguay round of the GATT talks, the Chilean development strategy will not change; it will only become stronger."

In this regard Marshall explained that for our country the NAFTA market is as important as the Asian and European markets. In this regard, he said that Chile does not seek a regionalistic option in its development strategy. He added: "I believe it is important to point out that NAFTA is an open option."

Cardenas Accuses U.S. of 'Biased Attitude'

PA0112045493 Paris AFP in Spanish 0406 GMT 1 Dec 93

[Text] Mexico City, 30 Nov (AFP)—The United States has shown "an interventionist and biased attitude" in the electoral process in Mexico, opposition presidential candidate Cuauhtemoc Cardenas has stated in a letter to U.S. President Bill Clinton.

In a communique, Cardenas' campaign office noted that White House spokeswoman Dee Dee Myers said that the designation of Luis Donaldo Colosio as the presidential candidate for the ruling Institutional Revolutionary Party (PRI) "assures the continuity of Carlos Salinas' policies."

Cardenas responded by saying: "This declaration reveals an interventionist and biased attitude regarding the electoral process in Mexico, and it fails to represent the best way to support relations of respect and cooperation which should exist between the two countries."

Cardenas noted: "We hope the commercial agreements that you have supported and the relations of cooperation that you have established with the current regime are not understood as permission to interfere by offering political support to undemocratic and authoritarian positions of this regime—positions which have prevented the holding of clean and trustworthy elections in Mexico."

The protest by Cardenas, candidate of the center-left Party of the Democratic Revolution (PRD) and of other opposition forces, comes at a time when U.S. Vice President Albert Gore is beginning a visit to Mexico, just weeks after he said in a public debate that Mexico does not enjoy total democracy.

Also in the letter, Cardenas said, "We are intent on building a true democratic option for Mexico, certain that the majority of Mexicans favor the change to a democratic regime."

The opposition candidate demanded Clinton show respect for the principles of "self-determination and nonintervention," because any position contrary to this "goes against our mutual interests."

On Sunday, President Salinas designated Donaldo Colosio as PRI presidential candidate, according to Mexican political tradition. Several opposition parties, such as the conservative National Action party and the PRD, consider this an "undemocratic practice."

Cardenas Challenges Colosio to Debates

PA3011231793 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 30 Nov 93

[Text of letter addressed to Luis Donaldo Colosio Murrieta, presidential candidate for the PRI, by Cuauhtemoc Cardenas Solorzano, Democratic Revolutionary Party, PRD, presidential candidate, dated 28 November 1993; place of issue not given; from the "Good Morning From Mexico" program]

[Text] Mr. Colosio Murrieta: After learning today of your nomination as the virtual PRI [Institutional Revolutionary Party] presidential candidate I call on you and extend to you an invitation to debate our respective views on the country, its problems and opportunities, and the type of government from which Mexicans would derive the most benefit beginning in December 1994.

During this six-year period, you were assigned various tasks linked to the implementation of an ideological and political project that I feel has been very detrimental for millions of Mexicans and has jeopardized the country's sovereignty. The creation and implementation of this project has been the responsibility of Carlos Salinas and his adviser, Jose Cordova Montoya, both of whom have repeatedly said that they intend to guarantee the continuity of the project in question. You owe your nomination as PRI candidate to them and only them. The 1994 campaign presents a Mexico with two great projects, each with its own social and historical meaning. These projects are different and antagonistic.

I am at your disposal to discuss the terms and circumstances of what I hope will be not one but many debates. I have asked Senator Roberto Robles Garnica and Dr. Adolfo Aguilar Cinser, general coordinator and spokesman for my campaign, respectively, to establish contact with your collaborators to speed up the talks preparatory to the debates.

I welcome you to the electoral campaign and await your reply.

Sincerely, Cuauhtemoc Cardenas

Colosio Challenges Cardenas

PA3011232493 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 30 Nov 93

[Text of letter addressed to Cuauhtemoc Cardenas Solorzano, presidential candidate for the Democratic Revolutionary Party, PRD, by Luis Donaldo Colosio Murrieta, presidential hopeful for the PRI, dated 29 November 1993; place of issue not given; from the "Good Morning From Mexico" program]

[Text] Engineer Cardenas Solorzano: As you know, in my speech accepting the PRI [Institutional Revolutionary Party] nomination for presidential candidate, I invited candidates from the different parties to participate in a wide-ranging debate to compare our ideas and programs.

I also said that I believe in politics as a privileged means of conducting a harmonious and civilized coexistence. In this spirit, with this letter I personally reiterate to you my invitation.

I have asked Fernando Ortiz Arana, president of the PRI National Executive Committee, to act as liaison to establish with whoever you appoint the terms and the rules for this debate. Ortiz Arana's telephone numbers are 535-4511, 592-6974, and 703-3190.

Yours truly, Luis Donaldo Colosio Murrieta

Camacho Solis Bids Farewell as Mexico City Mayor

PA3011203693 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 30 Nov 93

[From the "Good Morning From Mexico" newscast]

[Text] Manuel Camacho Solis has held a news conference bidding his farewell as mayor of Mexico City. He said: I hoped to be the PRI [Institutional Revolutionary Party] candidate to the Presidency of the Republic. He made the statements when talking about his aspirations and the new job with which the president tasked him. Raul Sanchez Carrillo was at this much-expected news conference and filed this report:

[Sanchez] Victor Manuel Camacho Solis, who until today, 29 November, was the mayor of Mexico City, announced his decision and options and accepted, he said, a new job offer by President Carlos Salinas de Gortari.

[Begin Camacho recording] Times are changing in Mexico. I had hoped to be the PRI presidential candidate. I have thought about what I must do and say. I have calculated what my options are and among them what is the one that is best for the unity of and strengthening of our democratic life. [end recording]

[Sanchez] Meanwhile, Camacho Solis said the country must keep its pace and he, wherever he may be, will continue to work for democracy. Camacho Solis reiterated his commitment.

[Begin Camacho recording] The president of the republic has made me a new invitation to collaborate with his government, and I have accepted. I will work with the same dedication and devotion as always. This morning I visited the president of the republic. I informed him that my political decision was to support his government for the best conclusion of the important tasks performed by his administration. I also informed him that yesterday I got in touch with Luis Donaldo Colosio, to whom I wished—for the good of the republic and our party—much success in his candidacy. [end recording]

Colosio Designation May Cause PRI Rift

PA0112044693 Madrid EFE in Spanish 2058 GMT 30 Nov 93

[Text] Mexico City, 30 Nov (EFE)—The designation of Social Development Secretary Luis Donaldo Colosio as the presidential candidate for the ruling Institutional Revolutionary Party (PRI) may bring about rifts in the party's top circles, according to various commentators.

Within the PRI, the candidacy of Manuel Camacho Solis, who until yesterday was the Mexico City mayor and is now the new foreign secretary, had the support of many followers who regarded him as the "ideologue of the generation of change." But when Colosio's precandidacy—de facto candidacy—for president was announced on Sunday, many commentators said this prompted Camacho Solis to resign as mayor.

When Camacho Solis resigned his post, the opposition Party of the Democratic Revolution (PRD) offered to make room for him in its ranks, and Cuauhtemoc Cardenas, PRD national leader and presidential candidate, called the resignation a "gesture of political dignity."

In an interview, Camacho Solis said he maintains good relations with the opposition parties—primarily the PRD and National Action Party—"because I respect all political currents and have a true democratic conviction" like they do.

Following his resignation, which Camacho Solis explained by saying he was committed "to the interests of the majority and not just those of a particular group," President Carlos Salinas de Gortari offered him the job of foreign secretary, held by Fernando Solana. The former mayor said he accepted the post "because I will not leave politics; (I want) to continue serving my country."

As he assumed his new post today, Camacho Solis said, "There can be no better front from which to defend the interests of the fatherland, and as foreign minister I will seek to have a foreign policy that is the result national consensus." He added that in today's world "in which we are experiencing major changes, foreign policy must promote and preserve the search for the general interests of Mexico, since sovereignty is the one principle everyone agrees on."

El Salvador

Government Considers Army Purge, Rescheduling Accords

PA0112050793 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Dec 93

[From the "Up to Date" newscast]

[Text] After a long silence concerning the implementation of the recommendations made by the Truth Commission, the government has held intense meetings with ONUSAL [UN Observers for El Salvador] officials on the dismissals of eight Army officers who were involved in serious human rights violations. The decision was revealed today by Presidency Minister Oscar Santamaria.

Minister Santamaria said that the government has not forgotten the recommendations made by the Truth Commission regarding those people involved in serious human rights violations during the war. In this sense, the minister said that the dismissals of eight high-ranking military chiefs,who were accused in the Truth Commission's report, were discussed at meetings with the UN observers mission.

[Begin Santamaria recording in progress] ...based on what the UN secretary general sent to us at that time—namely, the document we have used to respond to each one of the Truth Commission points, including this topic you have mentioned: The discharge of military officers. Along with the topic of the discharge is the topic of prohibiting from public office. In both cases there is already a government proposal. [end recording]

Santamaria also asserted that the meetings held with ONUSAL officials included discussions on the rescheduling of five peace agreements that are already being executed, because they have suffered delays in their implementation.

[Begin Santamaria recording] There are topics that are still pending, such as the topic of the land, which is being rescheduled. There are aspects regarding public security, which are also being rescheduled. There are other aspects related to the rest of the reinsertion programs, which are also being rescheduled, and we also have other aspects related to the topic of the Armed Forces, especially regarding certain laws. [end recording]

The Truth Commission report also recommended the dismissals of two judges and a forensic doctor but, despite the recommendations made by that commission, all three continue to occupy their posts.

Minister Unmasks Drug Traffickers' Plan To Attack Prisons

PA3011232593 San Salvador Canal Doce Television in Spanish 0300 GMT 30 Nov 93

[Report by Hilda Quijano for the "Up-to-Date" newscast]

[Text] Justice Minister Dr. Rene Hernandez Valiente has revealed that the state intelligence agency has unmasked a plan by drug traffickers to attack the Mariona and San Francisco Gotera prisons. According to the official, attacks were to be launched tonight by drug-related sectors to facilitate a massive escape of drug traffickers. Minister Hernandez Valiente explained that the intelligence report disclosed that the attack on the two prisons would have been launched with heavy-caliber weapons.

[Begin Hernandez Valiente recording] We have received reports of plans for a massive escape after attacks on Mariona and San Francisco Gotera prisons. Intelligence sources report that these people were going to use LAW [light antitank weapon] and rifle fire against prison facilities. We are also ready to repel the attack on Mariona prison. We hope that the inmates do not attempt to escape because it could cause a tragedy. [end recording]

According to the justice minister, the attacks scheduled for Monday night were to be launched by people unrelated to the prisons.

[Begin Hernandez Valiente recording] In Mariona's case, we believe the attack was to be carried out by drug trafficking sectors and former members of urban guerrilla cells. [end recording]

Hernandez Valiente asserted that surveillance in said prisons has been increased, adding that measures have been taken to avoid mass escapes, which would be the objective of likely attacks on Mariona and San Francisco Gotera prisons.

On another topic, the justice minister said that this Tuesday the Armed Forces will hand over the Chalatenango prison, which would resume operating next February.

Honduras

Callejas 'Very Pleased' With Meeting in Washington

PA0112030293 Panama City ACAN in Spanish 0128 GMT 1 Dec 93

[Text] Tegucigalpa, 30 Nov (ACAN-EFE)—President Rafael Callejas today returned "very pleased" from a meeting in Washington attended by the Central American and Belizean presidents and U.S. President Bill Clinton.

At a news conference, Callejas said the meeting "was highly positive" because the participants discussed a range of issues, including democracy, the future of Central American governments, economic and social development, poverty, programs for economic readjustment, and foreign cooperation. The most important topic discussed, he added, was NAFTA—a trade pact signed by Canada, the United States, and Mexico—along with President Clinton's offer to continue U.S. assistance to the Central American nations.

Callejas said Clinton also promised that NAFTA will not affect investment and trade programs in Central America,

a region that will gradually join the free trade agreement. According to the Honduran president, whose mandate ends on 27 January 1994, with NAFTA's implementation, Latin America will begin a process that will permit Central America's integration into the free trade regime. Callejas also stressed that although the United States has reduced multilateral aid, it will not suspend bilateral assistance.

During the meeting in Washington, an agreement also was reached by which Central America will continue to serve as a model for national development based on environmental protection and economic growth, both of which will be aimed at achieving higher standards of living for the people of the region. Callejas said Washington offered NASA's assistance in environmental protection programs.

Nicaragua

Foreign Ministry Welcomes Release of U.S. Aid

PA3011235193 Hamburg DPA in Spanish 2326 GMT 30 Nov 93

[Excerpt] Managua, 30 Nov (DPA)—The government of Violeta Barrios de Chamorro has welcomed the release of U.S. economic aid to Nicaragua, which was announced by President Bill Clinton today, as a sign of support for Nicaragua's process of democratization and national reconciliation. A news release issued by the Nicaraguan Foreign Ministry said, "The timely political decision, made at the highest level of the U.S. executive, came about as a result of the direct and personal actions of President Chamorro." The news release also said the U.S. move took into consideration Nicaragua's political reforms that will guarantee the nation's economic development. [passage omitted]

More on Release of U.S. Aid

PA0112005693 Mexico City NOTIMEX in Spanish 0021 GMT 1 Dec 93

[Excerpt] Managua, 30 Nov (NOTIMEX)—The Nicaraguan Government has voiced its "satisfaction" with the U.S. Government's decision to release $48.5 million in aid that was withheld for political reasons.

U.S. President William Clinton's decision, who announced the release of the foreign aid to Nicaragua, represents "strong support" for the government of President Violeta Barrios de Chamorro, Deputy Foreign Minister Jose Pallais said during a news conference. He added that the success of efforts to have the aid released constituted "a major personal triumph for the Nicaraguan head of state," who acted "decisively" in obtaining the release of the aid pledged by the United States for 1993.

After voicing her happiness, Chamorro encouraged the people to continue striving for economic recovery. [passage omitted]

Presidency Minister Welcomes Honduras Election Results

PA3011230993 Managua Radio Nicaragua Network in Spanish 1100 GMT 30 Nov 93

[From the "This Morning" news magazine]

[Text] On Monday, the Nicaraguan Government said that it welcomes the results of the Honduran presidential election, where opposition candidate Carlos Roberto Reina won. In a brief statement, Nicaraguan Presidency Minister Antonio Lacayo said the Honduran people have consolidated their democratic system with the elections held on Sunday, 28 November. The electoral results achieved and accepted by all the Honduran people mean that Central Americans continue to consolidate peace, the presidency minister added.

Panama

PRD Candidate Gives Speech to Business Front

PA3011165693 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Nov 93 p C12

[Speech by Ernesto Perez Balladares, presidential candidate for the Panamanian Democratic Revolutionary Party (PRD), during a seminar of the PRD Business Front on 27 November in Panama City]

[Text] As a Panamanian rather than as a presidential candidate for the Democratic Revolutionary Party [PRD], I am pleased that a seminar of this level was held with the participation of distinguished intellectuals from Panama and the United States. None of those attending ignore—I presume Professors Millet and Connif do not either—the fact that the past years have been marked by a permanent concealment of the truth, a constant distortion of the facts, and a petty begrudging of the accomplishments of other leaders. Those of us who have lived here in the past four years are witnesses of the effort made to distort the truth and besmirch the memory of General Omar Torrijos. During the Omar Torrijos government, Panama's relations with the United States were established as a required course in schools and universities precisely due to the importance that knowledge of our past must have for every Panamanian and because this was an indispensable requirement to build the future. It is not covering the recent past with a veil on how we can redesign our relations with the United States. It would be much more fruitful to examine with a true sense of self-criticism the reasons why after 90 years of independent life we continue to debate how much we are prepared to sacrifice for the purpose of becoming a true nation. When the first voices critical of the 20 December 1989 invasion were heard, the highest-ranking government officials, the ones who took office in a military base, refused to so much as admit that there had been an invasion here. Although the force of events compelled them to accept the existence of this fact, they made

no effort to help the innocent victims receive compensation and did not even guard appearances, seek a moral reparation for the damage the military action inflicted on the country.

The vain attempt to expunge recent history did not end there. Every day one hears talk about the country's economic future, what the reverted areas represent, the use to be given to the military bases once they are vacated, and the Panama Canal's future administration. Yet not one top-ranking government official, not one of those appointed as directors of the Interoceanic Region Authority, mention the Torrijos-Carter Treaties.

It is as if everything had fallen from heaven, as if no complex negotiation had taken place (in which former Foreign Minister Aquilino Boyd played a major role), as if Omar Torrijos had not existed. And I bring this to mind, however, to draw the contrast between the greatness of the statesman with the pettiness of those governing us. When the country and the world had nothing but praise for Torrijos, he had the humility to say it had been the result of a struggle of generations and not his personal handiwork.

In truth, it was a struggle of generations over which nobody can claim a monopoly but one that no doubt found in Torrijos one of its greatest leaders. If he acknowledged others' contributions, it now falls upon this generation of young people to do justice to the person truly behind the reversion of waters and lands, to the person chiefly responsible for making the Canal Panamanian at last in a few years from now, to the man who left us a country that in seven years will not have a foreign military presence that hampers the consolidation of our national identity.

Today's younger generation does not know about this, because they never saw it until a short while ago. Albrook field, where automobile races and concerts are held, the Causeway, Kobe Beach, the Supreme Court of Justice buildings, a good part of the Judicial Branch, the Public Administration operate, John Paul II Friendship Road—to mention a few—were but a few of the areas prohibited to Panamanians. This territory was administered by a U.S. governor, under U.S. laws, and guarded by U.S. policemen. All of this legal structure disappeared when the Torrijos-Carter Treaties were implemented. Although they study this in text books, they can never imagine how humiliating it was to be arrested in one's own country, even if it was for a mere traffic violation, by a foreign policemen, who many times did not even speak Spanish.

It is not, however, by hiding our history and our weaknesses that we are going to become strong. To acknowledge our weak points as a nation is the only way to construct a true nation. This is why it is very important that we go back to our past, even though at times it may hurt us. We must learn of our origins, not to pass the buck but to avoid committing the same mistakes a second time, as no one will forgive us. We must truly know who we are and what we represent for the United States and what the United States means for us. We must know so that we can build on strong foundations. A foreign policy that is constructed on lies and distorted ideas falls at the first jolt.

The same applies to militarism. If we truly want to eliminate it as an obstacle to true democracy it is necessary to know its origins and analyze its causes. One must not recur to easy, simplistic arguments that in addition are false by saying that the military power in Panama was born on 11 October 1968 and died on 20 December 1989. We will give it to you only as an advance, because a special debate on the issue is inevitable. Many of those who patronized the commanders' supremacy over the president—way before 1968— are still politically active, but in the PRD. [sentence as published].

Relations between the United States and Panama have not been easy, and there is no assurance that they will be so in the future. I am not digging up old resentments, nor do I pretend to worsen wounds that are still open, but I am not one of those who thinks that by ignoring the problem it will go away. It is true that there is every indication that the United States is willing to withdraw its troops from Panama. It is also true that in the future the U.S. strategic interests can find itself in contradiction with the consolidation project of the Panamanian national identity. We should be prepared, if this happens, so that the internal political dispute that will take place in society does not make us lose sight that before anything we are Panamanians. We must not repeat the shame of seeing Panamanians celebrating an invasion on the bodies of hundreds of their compatriots.

No nation in the world faces such a precise timetable of tasks to be done, commitments to be met, and expectations to be materialized as the ones Panama is facing with the implementation of the Torrijos-Carter Treaties and the forthcoming reversion of the entire former Canal Zone, including the military bases. No generation has had an opportunity like this one to plan their own future. At the same time, no generation will ever be questioned more than ours, however, should we fail to meet the challenges that lay ahead.

I have mentioned these points, because I have noticed with concern that there is a tendency to believe that the end of the Cold War and the undeniable U.S. supremacy means that all countries, particularly the smallest ones, must give up our struggles and hopes if they contravene U.S. interests. Although today I may be speaking the same language regarding trade, economic globalization, and cooperation in the struggle against drug trafficking, there is always the possibility that a sudden change in the correlation of forces in the world or new threats to international security could place U.S. and Panamanian interests on opposite sides. Should that ever happen—even though we may be partners in canal operation—we must be ready to defend our own interests.

It has become a common practice among political leaders to stress the responsibility that Panama will soon acquire in the sense that it must keep the canal permanently open, efficient, and safe. There is a tendency to view that efficient administration, protection, and guarantees that

the canal will be open to the traffic of ships from all the nations of the world as a joint commitment with the United States. It is, indeed. I believe, however, that the main commitment we Panamanians have is that we must convince ourselves that those responsibilities are not mandatory, even if we had not signed a treaty with the United States. [sentence as published]

We must begin to realize and be mentally prepared, on 31 December 1999, to accept the fact that when the Panama Canal reverts to its legitimate owners, the responsibility for its efficiency and protection will be more a Panamanian internal, political problem than part of our bilateral agenda with the United States. The canal must be managed efficiently because it will benefit Panama, not due to fear of another invasion, this time with the excuse that the canal is in danger. Enterprises that are afraid of reprisals are never successful; on the contrary, when tasks are performed under the conviction that they are correct, just, and advisable, they are successful. That is the spirit I would like to see in all Panamanians in facing our future responsibilities.

I am not naive enough to believe in the possibility of a great concerted effort on every subject because the voters' diversity of opinions on, among other things, the economy, foreign debt, insecurity, joblessness, environment, or agriculture is what leads them to vote for this or that candidate. Whoever comes out the winner is obligated to carry out the program he announced. Very likely, all of the political forces cannot endorse it.

I am convinced, however, that we should strive for the coincidence of the largest possible number of political forces on certain subjects. One of these subjects is precisely Panama's future relations with the United States. I know there are disagreements in this and other fields, so I do not expect a consensus in this field either. I do not see why, however, important decisions on international relations cannot be debated at forums where all of the parties represented at the parliament can participate. I am not afraid of a confrontation of ideas. I am afraid of exclusion and sectarianism in fields as sensitive as international relations, like the exclusion and sectarianism that the government and the Christian Democratic Party displayed during the approval of the Interoceanic Region Authority [ARI] bill and later during the appointment of the ARI directors.

For instance, political parties could coincide on a stand regarding the interpretation of the Torrijos-Carter Treaties, particularly regarding the Treaty on the Panama Canal Permanent Neutrality and Operation. To attain this joint position, however, we must get rid of party biases. A number of Panamanians, some of them to justify the invasion and others to attack Omar Torrijos' memory, keep saying that he gave the United States the right of open intervention; this is not true. What these people are doing is, however, to repeat the history of 1903 and 1904. The treaty that no Panamanian signed limited the right for intervention to restore public order in Panama City and Colon, but the 1904 Constituent Assembly members expanded the right to cover the entire country, thus turning an outrage into a monstrosity. Nevertheless, already in 1936 there existed a national consensus on the need to annul the intervention clause, a cancellation that succeeded under President Harmodio Arias Madrid.

The Treaty for the Panama Canal Permanent Neutrality and Operation stipulates that only Panama can have military forces and that the United States has the right to intervene, in accordance with its Constitution, whenever the Canal operation is threatened or whenever it is necessary to restore operation of the Canal. During the exchange of the ratification instruments, President Carter said in writing that nothing in the treaty should be interpreted as a right to intervene in Panama's internal affairs. Why, then, is it insisted that the treaties include an unlimited right for intervention? Why do some Panamanians insist that this right exists, when even the U.S. Government itself has declared it does not? The reason is evidently political and can be summed up in this double standard: When benefits are discussed, Torrijos is not mentioned. When intervention is discussed, it is Torrijos who signed them. If the party ingredients were removed from these positions, we could coincide on a consistently Panamanian interpretation.

Now, do we want to renegotiate the Neutrality Treaty? Apparently we do, for the most disparate reasons. Some, to abrogate this limited right for intervention, others because they regard the extended presence of military bases as desirable. For this treaty to be renegotiated, however, a broad national agreement is necessary. For this renegotiation to result in Panama's best interest, we must first agree, objectively and without sectarianism, on the actual range of the renegotiation. The United States' interest, the probable benefits and risks, and the fulfillment of constitutional provisions on a plebiscite are an entirely different matter.

I mention this example because it encourages me to think that we are indeed capable of bringing our stands closer together when the nation's interest is at stake, regardless of how we understand this interest. This is why I want to say before this audience that, just as I have promised and will do, I will not unleash a revengeful persecution. Without defeating the constitutional mandate or delegating my duties as president of the Republic, I also pledge to link all of the political forces to the foreign relations' consultative bodies, particularly those that deal with our relations with the United States. I can find no better formula to face the responsibilities that the end of the century will bring upon us.

Roundup of Economic Developments Through 30 November

PA3011143793

[Editorial report] The following is a compilation of reports on Panamanian economic developments monitored by Panama Bureau through 30 November; source follows in parentheses after each item.

The accumulated total of imports and reexports in the Colon Free Zone at the end of October equaled $7.9 billion, a 5.3-percent increase as compared to 1992, when transactions totaled $7.5 billion. Accumulated imports through October equaled $3.7 billion, while reexports totaled $4.2 billion. (Panama City LA PRENSA in Spanish 24 Nov 93 p 11A)

Panama has strongly criticized Colombia's position of negotiating unilaterally with the European Community on the restrictions imposed against Latin American bananas. Agriculture Development Minister Cesar Pereira has charged that "this is not an appropriate gesture of solidarity." He added that the EC also offered Costa Rica separate negotiations, an offer Costa Rica rejected. He concluded that Colombia's position may undermine the unity of the Banana-Exporting Countries Union. (Panama City LA PRENSA in Spanish 25 Nov 93 p 5)

Argentina

Supreme Court Removes Chief Justice From Presidency

PY0112021093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2316 GMT 30 Nov 93

[Text] Buenos Aires, 30 Nov (NA)—The Supreme Court removed Chief Justice Antonio Boggiano from the court presidency this afternoon with the vote of five of its nine members, putting an end to a harsh internal crisis in the midst of strong pressures as a result of the political pact between the government and the Radical Civic Union.

Deputy Chief Justice Rodolfo Barra is the interim Supreme Court president because it is believed that Boggiano will resign in the next few hours.

Under pressure from the majority of the court members, who threatened to use their powers to fire him, Boggiano reached "a gentlemen's agreement," and his resignation was announced after the second part of a meeting today that was attended by eight of the nine court members.

Through a ruling (No. 82/93) that came with a brief press communique the Supreme Court officially reported that it decided "to accept the resignation submitted by Antonio Boggiano as chief justice" but he will continue to hold its position as justice.

The official report does not give the reasons for Boggiano's resignation, but Justice Augusto Belluscio said: "No one gave any signal in this regard" when they were asked about the possibility that some of the justices had indicated their desire to resign from the court.

Boggiano, who took over as chief justice on 23 April, replacing the stronger candidate for the position, Mariano Cavagna Martinez, had to leave the court presidency due to the scandal resulting from the disappearance of a sentence that put him on the brink of a political trial.

Before the meeting this afternoon in the Agreements Hall, several justices met in Enrique Petracchi's office, where Julio Nazareno's decisive vote reportedly was obtained. Therefore, the majority vote forced Boggiano to make a decision.

"What happens is that he does not want to go," said Belluscio before entering the court building.

The first to arrive at the meeting was Justice Ricardo Levene, and later Mariano Cavagna Martinez, Julio Nazareno, Augusto Belluscio, Carlos Fayt, Rodolfo Barra, and Enrique Petracchi.

Minutes before the meeting began, Belluscio admitted before reporters that Boggiano did not represent him as the chief justice and admitted that the idea was to get a change of "officials and not deprive anyone of his position."

He also said: "Just as the court can name its officials, it can also remove them," in a clear allusion to the decision the court was going to make later.

Belluscio said he would have preferred that Boggiano leave his position by himself but then in an ironic tone said: "He does not want to go." Belluscio refused to give his opinion on the judiciary's dependent relationship with the executive branch because, he added, "that would be like judging myself."

Regarding the absence at the meeting of Eduardo Moline O'Connor, Belluscio expressed his "surprise." He also said he did not feel "pressured by anything" in allusion to the agreement between President Carlos Menem and Radical Civic Union leader Raul Alfonsin.

Brazil

Franco Releases Names of Ministers Leaving Cabinet

PY3011234193 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 30 Nov 93

[Text] The ministers who will participate in the upcoming elections will have to leave their posts this year. President Itamar Franco defined today the schedule for the ministerial reshuffle.

After a one and one-half hour meeting with the eight ministers who plan to participate in next year's general elections, Franco decided that the eight ministers will have to leave the government by 30 December.

According to an official note released after the meeting, President Franco established that the ministers will have to leave between 15 and 30 December. According to Transportation Minister Alberto Goldman, the first to go will be Antonio Britto of the Social Security Ministry, who will leave on 15 December. Goldman himself announced he will leave on 20 December. The other six ministers are Agriculture Minister Dejandir Dalpasquale, Mines and Energy Minister Paulino Cicero, Regional Development Minister Alexandre Costa, Communications Minister Hugo Napoleao, Social Welfare Minister Jutahy Magalhaes, and Industry and Commerce Minister Jose Eduardo Vieira. President Franco hopes to finish the ministerial reshuffle by 6 January.

Cardoso Announces Budget Adjustment Measures

PY3011190093 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Nov 93 Section 1 p 6

["Text" of news briefing by Finance Minister Fernando Henrique Cardoso to announce budget adjustment measures on 26 November; place not given]

[Text] I would like to take this opportunity to thank all the members of the press for their presence, as I think it is important for the country to understand the steps we are going to take as of now.

I want to make it very clear from the beginning that the government has a plan to stabilize the economy and to fight inflation. Several times I have been asked this question: And the plan? We are implementing a plan. It is a serious plan which implies the implementation of certain

points within a given time, and is meant to call the country's attention, the people's awareness, to the need to begin reorganizing the public economy, the public sector of the economy, the public financing. This I have been saying from the very beginning. In the beginning, we implemented the Immediate Action Plan in that direction. And we said what the commitments were that we were assuming, and what we would do. And we did so. What did we do? For the 1993 budget we asked Congress, and Congress did not decline its cooperation, for a reduction in and rationalization of public expenditures to help reach a balanced budget this year. We are going to reach the end of the year with a primary surplus. We are engaged in achieving that. We said that there should be a reorganization in the creditor-debtor relationship internally; that is, that there was a need to issue a law capable of guaranteeing the rollover of state debt under conditions that were not simply conditions for simply stopping payment. Even before Senate approval of the law, and before the promulgation by the president, the Finance Ministry conducted negotiations with the states and municipalities, and we achieved the signing of protocols—and more than that, the first payment by the states. Now that the law has been promulgated, we have in our hands an essential instrument guaranteeing us that such debts will be paid, because when the participation fund is transferred, if the state does not pay the government has by law the right to seize that which was not paid. Thus the debt to us amounts to $20 billion, and we have real guarantees that it will be paid.

To conclude—and these are not just words, but facts—on Monday I will sign in Toronto the documents partaining to the foreign debt negotiation. And this is a fact with special importance. We owe this to the efforts of the debt negotiators and to the persistence by which the Brazilian Senate followed those negotiations. Previous governments have also conveyed that same concern of defending the national interest. That debt will be signed today under exceptional conditions, because we have foreseen the disbursement of necessary resources for servicing the debt. Concerning the almost $52 billion debt of the public to the private sector, we are going to sign protocols to pay almost $35 billion of that debt, because it is a mechanism to reduce the debt. Those mechanisms are favorable to our country. I will sign those documents on Monday. From there on we will only need the final negotiation for the emission of the zero coupon from the U.S. Treasury, so as to reestablish the normal relationship with the international financial community. We have reserves today amounting to more than $28 billion, more than sufficient for guranteeing an expanding and stable economy. We have also been having surpluses in our trade balance all these past years, and because Brazil is capable of producing those surpluses we are not going to have any difficulties in obtaining foreign financing, and the risk rate for Brazil will drop, and the interest rate in Brazil will also drop as a consequence of that negotiation.

We are, therefore, taking definite steps toward achieving stabilization, something which has nothing to do with our image. The reason the government is striving so hard to achieve economic stability—in terms of a stable currency, a currency that will become convertible in the future—does not lie in its love of economic theory, or in its love of currency in itself, but rather in the fact that we care for those principles that govern social justice and are aimed at achieving a more democratic and fair country. Either we engage in a head-on battle against inflation now, or we will be unable to further a social policy—and the government must implement a social policy. There are many pockets of squalid misery, there is widespread poverty in this country, and salaries are quite low. This is unacceptable in a modern world. We are thus not struggling to stabilize our currency for the sake of economic orthodoxy. On the contrary, we are doing it in order to be able to implement an efficacious rather than demagogic social policy, a policy that does not give out wages with one hand and take them away with the other, due to inflation.

The time is approaching when Brazil will be able to turn a page in its history. And today we are announcing another step in that direction. I have said—we have all said so, time and again—that we must put government finances in order, because otherwise we will be unable to curb inflation. The imbalance in public accounts in something typical of Brazil. But presently we want to put an end to that, because whenever government spending is higher than its revenues, the government has either to resort to printing money or to borrow money by means of securities. Hence, it stokes the furnace of inflation. This does not mean that inflation always stems from that process, nor that there are no other reasons that might fuel inflation. But at present in Brazil that is the mechanism that triggers inflation with the greatest speed.

As I have mentioned before, we reduced government spending by $6 billion this year. Well, it is time we discussed the 1994 budget in a realistic and determined way. The budget draft that had been sent previously to Congress included a deficit amounting to nearly $22 billion. When we submitted that draft, we said that with it we wanted to draw Congress' and Brazilians' attention to the fact that it was impossible to ask the finance minister to rout inflation while at the same time increasing the deficit and not having expenditures covered by revenues. A solution to this problem has to be devised. Well then, we are now in a position to provide that solution, but it cannot be an isolated solution. We are going to submit a budget draft to Congress, but we require the help of the national Congress. We need the support of the national Congress in collaborating with us in this endeavor, which Brazil is now demanding—a much stricter political and public responsibility in the administration of government spending.

It is therefore important to emphasize at this point that we are asking for ongoing support for this draft we are submitting now, this budget reformulation, and not only from the Executive Branch agencies. The SOF (Federal Budgets Secretariat) and the people who work in the Finance Ministry have made an extraordinary effort. We have also received the cooperation of the national Congress through the Budget Committee's rapporteur and chairman, who have joined us in this effort. Through all this effort we are demonstrating that it is possible to

balance the budget. Therefore, in addition to the draft we are submitting, which the president will submit next week, we require a constitutional amendment. I have already explained what amendment, and for what reason. We will require a new Law on Budget Guidelines, LDO, and a law on budget implementation. It is therefore not simply a matter of reviewing numbers. It is a matter of changing the budget implementation policy, the policy through which an effort will be made to eliminate the public deficit. We will now require a constitutional amendment. I am sure that the nation will understand the reason for it, and that Congress will not let the nation down and will approve this constitutional amendment. Why do we require this? Because so far, the unappropriated funds available to the federal government, including the budget portion that may be subjected to cuts by the federal government, to reduce spending, do not even total 20 percent of the budget. Why is this so? It is the consequence of constitutional ties. Nowadays public spending is entirely predetermined. And I am asking you to kindly read the annex that has been distributed, so as to see what is happening with public spending. This annex indicates the budget's development between 1977 and 1992. It is a long process that indicates the following: Unappropriated and available funds, or untied funds—that is, the funds with which the government will pay for Science and Technology, health expenditures, road construction, the Armed Forces, that is, total expenditures—have drastically declined from 44 to 20 percent of the budget between 1977 and 1992. This was an extremely dramatic cut over a period of 10 or 12 years. This explains why so much is demanded from the government, and why the government is unable to meet the demands. The reason is that the government does not have any untied funds to meet such demands. And if you check what happened with the funds, what is happening with the funds, the earlier graph clearly indicates this. What is happening is the following: Federal government expenditures are graphed here in this white block. These government expenditures, which I discussed a while ago, are indicated by this cone, which has increased in size in 1993 because so far, health expenditures had still not been considered. All the health expenditures now come from this little portion of the budget's fiscal revenues. Contributions are no longer enough to meet health expenditures. The 1988 constitution ordered the benefits increased. And they were increased. This was and still is correct. It is correct because it represents the beginning of the payment of the social debt. It is correct, but we must supply the funds for this payment. Social Security expenditures have increased significantly, and the Social Welfare system alone has accounted for all of them. Social Welfare pays benefits, but it is no longer in a position to pay the health expenditures. Social Welfare is therefore no longer transferring funds to the Health Ministry. The Health Ministry expenditures are now directly covered by the Treasury, thus causing another hernia in this body. This new hernia, namely health expenditures, is further squeezing the federal government's untied funds.

Here below are the ties with the Fund of State and Municipal Participation which, at a given time, increased significantly. Here are the ties with education expenditures, and here above are other constitutional ties—Sudam [Amazon Regional Development Superintendency], Sudene [Northeast Development Superintendency], Finor [Northeast Investments Fund], all these elements. Therefore, in budget terms, it may be seen that the government is besieged. It is besieged. It is a Republic of Ties [Republica das Vinculacoes]. It is not possible to run a country this way. It is necessary to do something, and we are doing it. We are proposing a way through which this country will be viable. I will tell you about this later, but I first want to emphasize that a tax increase does not help, because a tax increase will go through the same sieve. Therefore, for every 10 tax units that are increased, two tax units will be received for some additional help. This is not all. And, as Raul Julgmann [Applied Economic-Social Research Institute executive secretary] said, this was an exceptional year for the Federal Revenues Department. The Federal Revenues Department's performance this year was exceptional. During the Collor Plan in 1990, the government implemented a one-time fundraising effort. Without resorting to this type of trick, we are now coming close to the 1990 record. And the revenues projected for 1994, which are 15-percent higher than current revenues, have been included in our budget.

Thus, it is not a question of only increasing government revenues, increasing taxes, while on the other hand citizens at a certain level do not pay taxes. Tax collection has remained stable over the last 10 years, averaging around 24 percent of the GDP. We must, therefore, eliminate that rigidity, that plaster cast-like inflexibility in the budget. How will we go about it? Our draft budget is the following: Besides redoing our budget calculations—and you have those calculations close at hand—besides assessing the terms of government spending for 1994 in a more realistic way with a view to slashing it without altering the amount of social security benefits in real terms and without changing civil servants' salaries in real terms, but changing inflation estimates, modifying some elements in those calculations, and making further adjustments in the disposable part of national expenditures, we managed to obtain a budget with a zero deficit. But despite the effort made by the SOF, the Finance Ministry, and all the ministries to balance the budget—and Congress obviously will say the last word on it—it is still not enough. This is why we have proposed establishing an emergency social reserve fund by earmarking 15 percent of all government revenues to that effect. This will not entail a reduction in allocations but rather a transfer of revenues as, prior to their being appropriated, they will be set aside for this reserve fund. This reserve fund will in turn be used exclusively for social endeavors to defray the cost of health care, education, programs to put an end to hunger and abject squalor, and other social programs that the country requires. The reason behind this social fund is not to enable the government to act according to its liking or to do as it thinks fit, but rather to enable it to appropriate the necessary funds to meet the country's needs. Now, Congress will have a say in the way those funds are allocated, but will only be able to allot them for social projects. It is

a sort of domestic tax on the whole apparatus of government. Instead of collecting all the money from citizens, we are collecting what will be obtained from the government's rationalization so as to have greater leeway. States and municipalities will not stand to lose with the establishment of this fund because those financial resources will return to states and municipalities. We are not seeking to curtail appropriations, but rather to apportion them in a more rational way by taking into account the priorities set by the government, which are those of the country. Everybody always says: "Social issues should take priority over all other concerns," but they never keep their word. We want to keep our word. Consequently, we want to establish this social reserve fund, which will be supplemented with a small contribution by citizens. Which one? The resultant amount from increasing all taxes 5 percent and bracket contributions levied on taxpayers. In other words, if a person's income tax bracket is 25 percent, he will pay 26.5 percent instead of 25 percent. This holds good for all taxpayers. It is but a small contribution on the part of society and a great contribution on the part of the government, which is going to tighten its belt more greatly than has ever been done by the government's own accord. I would nonetheless like to make it clear that in real terms the process is quite different. Why is this so? Because since we estimate there will be a 15 percent increase in tax revenues, no state, municipality, or fund will see their allocations curtailed in real terms when comparing fiscal year 1993 with 1994. We thus sought a mechanism that would enable our country to confront this difficult juncture as best it could within the framework of a democratic system that will be preserved. Congress is obviously empowered to pass or reject our draft budget as it sees fit. But we devised it in such a way as to prevent one specific group from having to unduly shoulder all the burden. Or a region—whether northeast, north, or any other—or a social class for that matter, least of all the less privileged, who can no longer pay taxes. One cannot ask them to give more than what they already are doing. I believe that once this is accomplished, once we demonstrate that we have eliminated the estimated $22-billion deficit by making the government shed its plaster-like rigidity, we will be able to earmark the funds the country requires for health care, programs to combat hunger and dire poverty, and rural settlement schemes.

In addition, through the LDO we will impose restrictions on ourselves. We will restrict the issuance of public debt certificates for contracting new debts. Only the rescheduling of debts will be admitted. Therefore, through a legal procedure the government will adopt a strict method to avoid spending what it cannot spend. In the budget implementation law we also would like to give a very clear signal that government spending cannot exceed government revenues, and that the budget will not provide for contingency allowances because the budget does not provide for inflationary taxes as a source of income. Instead of enforcing cash control measures, which do not produce corruption but which cause enormous administrative distortions, we will simply—we did the same thing in 1993 but failed because of the considerable financial disorganization, because there was no IPMF [provisional tax on financial operations], no Cofins [Social Security contributions]—[changes pattern] but this time, on an absolutely realistic basis, we will have a budget that will be implemented the way it was submitted. It will not be necessary to strive for the release of allotments because funds will be automatically transferred for the programs approved by Congress. A program of this nature obviously calls for administrative reform. The president talked with me in this regard. No decisions have been made yet, but there are suggestions. The Federal Administration Ministry and the Planning Ministry are discussing those measures, which will lead to decentralization. What we want is to strengthen municipal and state governments. A strong union does not care for everything. A strong union designs policies, stimulates, and transfers not only responsibilities but also funds. Beyond all doubt, such a program calls for administrative reform. It entails decentralization and negotiations with state and municipal governments. It means that we will implement a new federal pact. But we will be unable to propose a new federal pact to state or municipal governments if there is no financing for the pact. That is why we are making such a big effort, despite everything, to provide the health sector with enough resources. This has not been done for a long time. Today we owe nothing to hospitals and clinics. We are negotiating over SUS [Unified Health System] because we have faith in SUS. The education minister and I signed an agreement on 26 November. The president signed a decree after we signed the agreement. The salaries paid to the education sector will no longer have to be readjusted by the Treasury because the funds transferred to states will be adjusted 20 percent, in real terms, based on the annual inflation rate. Funds will be automatically transferred and will not be retained at the Treasury. That is the new procedure. No new tax has been levied. Funds have not been increased. Fund management will be improved because it entails a new federal pact, and we will not discriminate against governors because of their party membership, or prefects because of their membership in a political faction. We are thinking about effective managerial cooperation. We made a new federal pact. I already have spoken too much. To implement all this we are including the IPMF and the Cofins in the 1994 budget. Those additional funds, or better, the proposed transfer of budget allocations and the proposed budget level—which is realistic and is reflected by budget figures—have been checked by the Federal Revenue Department and the SOF. The budget includes Cofins and IPMF. A country that wants to put an end to misery, that has social sensitivity, and that pays no social contributions is hypocritical. Unfortunately, this behavior has spread in Brazil. People want to receive from the government, but they do not want to pay. The government is doing its share.

Now everyone must do his part. Everyone must do so because the country expects it from us. Undoubtedly, I am convinced, because I talked with congressional Budget Committee members, with party leaders, Congress today feels that the current practices must be changed, especially because the CPI's [congressional investigating committees] are demonstrating that current practices must be changed.

We are changing these practices in a rigorous manner. Probably never has such a major effort, such a firm decision been made in the country to reach a zero deficit, linking the constitutional decisions to legal decisions. These are the preconditions I have always mentioned in order to begin the correct anti-inflationary fight.

When I return from Toronto, after talking extensively with the president of the Republic, we are going to tell the country about the steps that will be taken, supposing that the initial step is approved, thus achieving support for that initial step. But the following steps are the most difficult ones.

In this meeting we are holding today, I want to call the attention of the country through the media: It is worthless to keep discussing this or that plan, whether it is called Y, Lambda, or whatever. Every time we read a newspaper we find a new plan. I am happy with such imagination. But I am rather sad over the fact that people do not realize that the new plan is what we are implementing today, that it is not just the proposal of an imaginary trick. It is what we are doing, changing in practice, although under difficult conditions, the rules of public expenditures. The crisis affecting the national Congress, and I can say this because I am a senator, is a crisis but not of corruption alone. It is much more than that. It is all a federative pact, a system of distribution of public expenses. Even though the elements of corruption are not included in it, they are based on the feeling that the Treasury can afford everything. The country's social and economic sectors are sheltered in the Treasury. The people pay, via inflation, to reproduce conditions that are fictitious. This then is a popular battle. It is no longer a battle in terms of an abstract improvement of performance, of the budget performance. It is a popular fight. Either this is done to change a system of discussion of expenditures, which also maintains inequality, misery, and oppression, or we are deceiving ourselves. This is a real fight. It is not a matter of knowing how we are going to conduct our monetary policy, our ways of fighting inflation after the adjustment. There will be nothing to respond because we are not going to break any contract nor are we going to cause any surprise. And this because a democracy is not conducted by way of surprises. No one has ever made adjustments in a country like Brazil, which is complex, unequal, filled with just social pressures, within a climate of democracy, within a climate of negotiation that does not imply violation of the laws. The climate is that of democracy. That has a price, but that price is worth paying. It takes more time, but the rights are not lost and no false expectations are created. Then we are based on a political conviction and a social objective. That is why we are doing what we are doing, and for this reason we are resisting all temptations for popularity. We are not moved by deceitful popularity. We are not moved by any personal political interest, none of us, nor by party interests. We are moved by a new practice. Brazil is re-establishing its state, the relationship between society and the state. That will go through the constitutional revision; it is not my role at this moment. But that is taking place, and we are doing our part. It is with that conviction, with much effort, because we are absolutely convinced that that is the right way, that we are proposing that the president take that path.

Correction to Paulo Cesar Farias Arrested in Thailand

PY3011133893

The following correction pertains to the article headlined "Paulo Cesar Farias Arrested in Thailand," which appeared in the 30 November issue of the Latin America DAILY REPORT, page 49:

Column 2, paragraph two, sentence one please make read ...[Begin live relay] Having managed to... (correcting editorial notation)

Page 50, column 1, last paragraph last sentence please make read ...on 2 December. [end live relay]... (correcting editorial notation)

Chile

Alleged Request for Asylum by Venezuela's Perez Denied

PY3011141293 Santiago LA TERCERA DE LA HORA in Spanish 23 Nov 93 p 6

[Unattributed article: "The Foreign Ministry Clarifies"]

[Text] The Foreign Ministry has expressed its "categorical rejection" of a report published in the Venezuelan newspaper EL NUEVO PAIS, which indicated that former Venezuelan President Carlos Andres Perez had met with the Chilean ambassador to Venezuela to request an open-ended [abierto] diplomatic asylum. According to a communique the newspaper also stressed that our government 'had presumably given a positive answer,' "which is not true," our Foreign Ministry stresses.

Safety Measures for 11 Dec Presidential Elections Detailed

PY3011134793 Santiago Radio Cooperativa Network in Spanish 2200 GMT 29 Nov 93

[Text] According to an Interior Ministry resolution regarding safety measures for the presidential and parliamentary elections on 11 December, the Armed Forces and Carabineros will be in charge of safeguarding public order as of 0000 on 8 December.

The resolution states that in order to fulfill this legal requirement all the necessary legal measures will be implemented. No effort will be spared in preserving public order, thus giving the public, the political parties, and independent candidates the maximum guarantee of being able to freely exercise their rights.

If crimes should be perpetrated, the author or authors—no matter their class, position, or privileges—will be arrested and immediately placed at the disposal of the pertinent legal authority.

Moreover, another resolution refers to public traffic. The resolution in this regard states that it is up to the chiefs of the military forces to guarantee voters free access to the

sites where balloting stations function, and prevent people from forming crowds that might prevent voters from reaching the balloting tables or pressure voters with deeds or words.

The chiefs of the military forces must also prevent the staging of public demonstrations of any nature until four hours after voting at the balloting station in the respective area has ended.

Another resolution states that if necessary the chiefs of the military forces may restrict the traffic of vehicles, channeling it to allow the free circulation of pedestrians within a reasonable area, if possible at least a block away from the site where the balloting station is located. They must also prohibit the parking of vehicles of any kind, including those drawn by animal, in that same area.

The Interior Ministry resolution also states that the members of the military forces in charge of safeguarding public order may not station themselves within a radius of 20 meters from a balloting station or from the premises where a vote counting board or electoral board is operating. They may, however, come to the aid of an electoral authority should they be requested to do so.

If members of the military forces are stationed within the aforementioned area they should withdraw at the request of the president of the electoral board, the balloting station, or the vote counting board. Should this not be complied with the president will suspend the functions of the corresponding body and inform the respective court.

Moreover, the forces in charge of safeguarding public order will, upon request from the pertinent authorities, arrest and place at the court's disposal whomsoever prevents any member of the electoral board, balloting station, vote counting board, or representative of the vote counting board from exercising his functions; disrupts order on the premises where an electoral board, balloting station, or vote counting board is located or in the surrounding area with the purpose of preventing it from functioning; votes more than once during the same election; replaces an elector or uses the name of another elector with the excuse of substituting for him; produces vote tally records for nonexisting balloting stations; forges, removes, conceals, or destroys an elections registry, vote tally record, or balloting slip; steals a balloting box containing ballot slips which have still not been counted; is in possession of balloting slips under circumstances other than those established by the law; or prevents any elector from exercising his right to vote, through violence or threat, or by depriving him of his national identity card or identity card for foreigners.

These are some of the resolutions for 11 December disclosed by the Interior Ministry.

Colombia

Escobar Family Not To Receive Special Protection

PA3011180493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 30 Nov 93

[Reports by Alvaro Ayala, Juan Ortiz Osorno, and Maria del Pilar Ortiz; from the "24 Hours" newscast]

[Text] The Prosecutor General's Office said today that its escorts will no longer provide security to Pablo Escobar's relatives, but the Armed Forces took charge of preventive measures at El Dorado International Airport in Bogota. Policemen and soldiers were deployed in the airport terminal to prevent any alteration of public order after the Lufthansa Airlines airplane lands with Maria Victoria Henao, wife of Pablo Escobar, Manuela and Juan Pablo Escobar Henao, and a minor who is the girlfriend of Pablo Escobar Gaviria's son. Preparations are now under way so that the passengers from Frankfurt may transfer to Medellin. Official sources have said that Pablo Escobar's relatives will not receive special protection but will be given the normal security rendered to any citizen whose life is in danger.

Roberto Escobar Gaviria, Pablo's brother, and Herminda Gaviria, their mother, have issued a writ with a petition for protection to President Cesar Gaviria and Prosecutor General Gustavo De Greiff, because, they say, the basic right to life of Escobar's relatives is vulnerable.

Roberto Escobar Gaviria has asked that the Prosecutor General's Office restore protection to nephews Juan Pablo and Manuel, arguing that the basic right to life cannot be conditioned on Pablo Escobar's submission to justice. As proof of his nephews' vulnerability, Roberto Escobar has provided press reports that mention the two attacks against his nephews in the Altos del Campestre building while under the protection of the Prosecutor General's Office. They left this same building at noon on 27 November, shortly after it was raided by the Search Bloc for four hours without any incriminating evidence being found. These attacks are in addition to the attack Pablo Escobar's mother told us about this weekend.

[Begin Herminda Gaviria recording] I had a humble, little farm that I used to give retired teachers a good meal once in a while. Certai policemen went and told the farm manager to go down to the highway, because they would set it on fire. [end recording]

The Escobar family's departure from Colombia seemed like one of the conditions for surrender, a condition reinforced by a letter, again from Roberto Escobar, requesting the transfer of Othoniel Gonzalez, Jairo Velasquez, and Jorge Pizano from Modelo Jail in Bogota to Itagui Prison. With the return of Pablo Escobar's family and the request for protection by Roberto Escobar, the climate for an alleged second surrender seems to be affected.

Paradoxically, while the Prosecutor General's Office announces that it will not render any more protection to the Escobar Henao family, Government Minister Fabio Villegas says that security must surround relatives of the Medellin Cartel boss. In another turn of events, President Gaviria sent a strong letter to the prosecutor general stating his total disagreement with the prosecutor's proposal to legalize drugs. Maria del Pilar Ortiz reports:

[Begin recording] [Ortiz] We have last minute news from the Government Ministry. It has been said that the Prosecutor's Office will not render any more protection to Pablo Escobar's family, because the term has expired. What do you say about this?

[Villegas] They have been keeping their obligation of protecting Colombians' lives and will try and find ways to offer some sort of security to the relatives.

[Ortiz] Can you specify the ways?

[Villegas] I am unable to say at this moment.

[Ortiz] Is this in reply to the letter sent by Pablo Escobar's mother?

[Villegas] This is an obligation the state has.

[Ortiz] We learned today about the rather strong terms of a letter from the president to the Prosecutor General. Are there differences of opinion?

[Villegas] The first thing the president does is recognize the effort made by the Prosecutor General's Office to break the country's impunity; nevertheless, differences have arisen regarding the topic of drug trafficking, which need to be clarified. We believe that Colombia should persist in its struggle against drug trafficking. This is not simply an academic problem; it is the very existence of a legal state, democracy, and guarantees for all Colombians' rights and freedom. [end recording]

Authorities Increase Surveillance Around German Embassy

PA3011160593 Madrid EFE in Spanish 1501 GMT 30 Nov 93

[Text] Santa Fe de Bogota, 30 Nov (EFE)—The family of drug trafficker Pablo Escobar, who is still at large, is in Santa Fe de Bogota and will possibly travel today to Medellin, while authorities have increased surveillance around the German Embassy to prevent possible attacks.

Escobar's wife, Maria Victoria Henao, his children Manuela and Juan Pablo, and his son's girlfriend, Camila Ochoa, stayed at a downtown hotel in the capital after returning on the evening of 29 November from Germany, where the authorities refused to let them enter the country.

The relatives of Pablo Escobar—who has been at large since 22 July 1992 when he fled from "La Catedral" prison in Envigado—traveled to Germany on 27 November on board a regular Lufthansa flight.

The Escobar family members decided to leave Colombia after the Prosecutor General's Office warned them that the official bodyguards assigned to them for several months would be withdrawn.

The area around the hotel where members of the drug trafficker's family are lodged is heavily protected by military cordons of the 13th Army Brigade and the Metropolitan Police.

The police, Army, and security agencies have also increased security in the northern part of the city and around the German Embassy, given the possibility of attacks due to the German Government's refusal to grant tourists visas to Escobar's relatives.

Pepes Threatens To Launch 'All-Out War' Against Escobar

PA3011181993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 30 Nov 93

[Report by "National" newscast]

[Text] Attention: Pepes [Persecuted by Pablo Escobar] has reappeared once again. In a communique sent recently to the media, Pepes is threatening to launch new actions and an all-out war against Pablo Escobar.

According to the communique, Pepes was able to learn of an Escobar plan to kidnap the children of important businessmen and politicians in an attempt to negotiate his second surrender.

The communique is being made public precisely when the country is closely monitoring what is taking place with Escobar's family. So far, everything would seem to indicate that the drug baron's family could remain in Santa Fe de Bogota until their final destination problem is resolved.

Since yesterday, Santa Fe de Bogota's international center, where Escobar's family is in refuge, is the most protected area in the country as well as the most tense. Fear and uncertainty surround the Escobar family.

Government Condemns Pepes' Threats

PA3011211493 Mexico City NOTIMEX in Spanish 2024 GMT 30 Nov 93

[Text] Santa Fe de Bogota, 30 Nov (NOTIMEX)—The government today condemned threats made by the self-styled Pepes [Persecuted by Pablo Escobar] to intensify their attacks on relatives of drug trafficker Pablo Escobar Gaviria, against whom the group declared war last January. Government Minister Fabio Villegas told the media: "We reject any sort of violence or intimidation, regardless of its source."

The Pepes issued a communique on Tuesday warning that it will intensify its attacks on the Medellin Cartel boss, whom it accused of planning to kidnap the children of politicians and military personnel. According to the Pepes, Escobar is trying to gain leverage in the face of possible negotiations for his surrender to justice.

"We condemn Escobar's terrorist actions with the same vehemence with which we reject the actions by those who seek to face him through violence," Villegas indicated. The Pepes have been able to remain active for the past 11 months while the authorities have not arrested any of its members, who are apparently former partners of the drug lord and former policemen disgruntled by the government's failure to capture Escobar Gaviria.

Escobar's relatives have repeatedly accused the government of not acting against their enemies with the same vigor with which they hound Medellin cartel members led by the fugitive Escobar. Last week Escobar Gaviria's mother was the target of an attempted kidnapping attributed to the Pepes, a group that has killed 100 of the drug lord's aides, including three lawyers, since it first emerged.

Prosecutor General's Escorts, Security Officials Arrested

PA3011143493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Nov 93

[From the "National" newscast]

[Text] Four of the prosecutor general's bodyguards and two DAS [Administrative Department of Security] officials were arrested during the past few hours and charged with drug and weapons trafficking. The authorities are concerned, because this is the second incident in less than four days involving criminal bodyguards.

DAS captured four escorts assigned to the Prosecutor General's Office Technical Corps. The four men, who provided personal protection to Prosecutor General Gustavo de Greiff, are now under arrest at the DAS jail after a preliminary investigation was opened on charges of drug trafficking.

The escorts introduced drug trafficking to the Attorney General's Office, and, using their credentials as members of the prosecutor general security corps, they smuggled an undetermined amount of cocaine and weapons into the United States and certain cities of Colombia.

Two DAS members were also arrested as part of this investigation; they also used their credentials for criminal means.

The investigation has not yet concluded, but the possibility that their objective could have been an attempt on de Greiff's life has been ruled out.

[Begin recording] [Deputy Prosecutor General Francisco Sintura] We are investigating because that was an intelligence operation executed by the Prosecutor General's Office. It yielded results we coordinated directly with the DAS director, and the individuals involved in the criminal activities have been captured.

[Unidentified reporter] Did it involve DAS or the Prosecutor General's Office personnel?

[Sintura] Personnel of the Prosecutor General's Office. [end recording]

According to the preliminary investigations, the drug traffickers' fingers are not the only ones that have reached the Prosecutor General's Office, as guerrillas may also be involved.

*** Benefits of G-3 Free Trade Agreement Noted**

94SM0087A Santa Fe de Bogota EL TIEMPO in Spanish 20 Oct 93 p 4A

[EL TIEMPO editorial: "The G-3 Agreement"]

[Text] Last week was marked by intense presidential diplomatic activity. There were two "summits," one in Trinidad and Tobago between the chief executives of the Group of Three (the G-3) and the prime ministers of the Caribbean Common Market (Caricom) countries, and the other, among the presidents of the 12 Latin American countries that make up the Rio Group, in Santiago, Chile. The most important result was the conclusion of a free-trade agreement between Colombia, Mexico, and Venezuela. Efforts had been under way for almost two years to hammer out this accord, which in the space of a few days suddenly went from being nearly dead to becoming a real project that will be implemented soon.

As we know, the free-trade agreement between Colombia and Venezuela took effect in February 1992 and has led to an extraordinary expansion of exports between the two countries. One could say that a new dawn has broken for Colombia and Venezuela thanks to a decision that businessmen in both countries greatly feared. They thought that opening up trade would destroy many industries owing to the impact of competition from products from the other country. Just remember the misgivings of national businessmen in the iron and steel, metalworking, and petrochemical industries. A look back, however, shows that their fears were unfounded. The two economies have benefited from the accord. The principle of comparative advantage has been borne out, and as far as we know, no companies have "gone belly up."

Well then. That accord has now been expanded as Mexico, a country that carries major economic and political weight on the continent, has joined the Colombian-Venezuelan area. The specialists, backed by their respective ministers and the three presidents, hammered out a formula to lower tariffs on all products (the sole exception being the automotive industry) over a 10-year period by 10 percent a year. The time frame for automobiles is 12 years, with a three-year grace period. As we can see, this is a simple, fair formula that is free of unjustified preferences for one sector or another and that will surely make it easier for the various industries to adapt to the likelihood of stiffer competition over the very reasonable period of 10 years. The reason for the exception in the case of motor vehicles is the very well-known fact that the Mexican automobile industry, which is closely linked to that of the United States, is very powerful.

It was to be expected, in the case of the Colombian-Venezuelan agreement, that the producer unions would greet the news of the new pact with reservations consistent with fear of the unknown. They argue that some sectors will no longer be able to receive the preferential treatment they were getting under the partial accords within the framework of ALADI [Latin American Integration Association] or that, as is the case with agriculture, there is a danger of unfair competition due to the subsidies that Mexico apparently still has. All in all, owing to its breadth and coverage an arrangement like the one that has been put together offers more opportunities than difficulties, and we thus believe that to the extent that the initial and

certainly very understandable misgivings disappear, businessmen and unions will begin to perceive more clearly the benefits of what has been achieved.

Besides the purely economic aspects of the accord, it has very great political significance. Had it not been concluded in the manner and at the time that it was, Colombia would have lost a historic opportunity. It is well-known that there will be changes of government in the three countries in 1994, and thus there was a danger that the process would recommence in the future with different players and amid changed circumstances. It could be said, then, that this agreement not only brings Mexico and Colombia closer together but will also help to consolidate the relationship that has been established with Venezuela. Moreover, since the U.S. Congress will very likely pass the Free Trade Agreement with Mexico and Canada towards the end of the year, the G-3 pact will also help to link us more closely to North America.

Given all of the above, this new trade agreement between Colombia, Mexico, and Venezuela is timely, because if there is any country that can gain from this pact, it is surely Colombia. We can only hope, then, that the details of the new treaty are thrashed out quickly and that it actually takes effect as 1994 begins.

* Hommes, ANDI Disagree on Industry Performance

94SM0088A Santa Fe de Bogota EL TIEMPO in Spanish 23 Oct 93 p 3C

[Text] The finance minister and the president of the National Association of Industrialists (ANDI) clashed in Cali on Thursday over industrial growth. The former said that industry would grow, while the latter maintained that it would remain stagnant.

Yesterday, the National Administrative Department of Statistics (DANE) revealed that both are right, depending on the angle from which the issue is viewed.

If coffee milling is included in calculating industrial output, then the president of ANDI, Carlos Arturo Angel, is right in saying that industrial growth has slowed.

But if we exclude coffee milling, it could be said, as Finance Minister Rudolf Hommes has, that the manufacturing sector has done well this year.

The key point is that owing to the coffee crisis and the borer, coffee production is down from 18 million to 14.9 million sacks from the 1991-92 to the 1992-93 coffee-growing year, and this has hurt the industrial processing of coffee.

Therefore, if we include milling, output is up only 3.77 percent over the first few months of the year, whereas in the same period in 1992 it rose by 5.05 percent.

This represents a significant slowdown in industrial growth. Nonetheless, the results are very different if we exclude coffee milling from the calculations.

In this case, production shows quite rapid growth, up from 2.6 percent in 1992 to 5.65 percent this year.

This situation was recently confirmed by EL TIEMPO's Economic Opinion Survey (EOE). Most of the businessmen consulted replied that activity in their industries was relatively good in the third quarter of the year.

Slumping Industries

One thing becomes clear from an analysis of industry's performance during the first seven months of 1992 and 1993: the drastic fall in the output of textiles, leather goods, paper, and footwear.

Whereas these sectors spearheaded industrial growth last year, this year they are showing negative growth.

The case of leather and leather goods is striking, as output declined 11.6 percent.

There was a 6.5 percent drop in paper and paper products, and a 4.2 percent decline in footwear.

Textile production, which was up almost 10 percent between January and July 1992, has fallen 1.1 percent this year.

The performance of groups according to economic use has also changed markedly from last year to this.

So far this year the production of capital goods is in the forefront of industrial growth, posting a rise of 36.36 percent (following a 7.79 percent increase).

The leading group last year was intermediate goods, which are down 3.3 percent this year, owing mainly to the impact of the decline in coffee milling, leather, and paper.

According to the most recent DANE report, employment in the manufacturing sector in the January-July period rose 1.85 percent from the same period in 1992.

The sectors that created the most jobs were clay, earthenware, and porcelain items; machinery; plastic goods; transportation equipment; chemicals, and professional and scientific equipment.

DANE also reported that retail sales were up 4.15 between January and July.

If fuels are excluded, the increase was 4.35 percent.

The fastest growing groups are furniture and household appliances, garments and footwear, crockery shops, department stores, and miscellaneous, with increases of over 6 percent.

Ecuador

Government Decrees State of Emergency in Teachers Strike

PA0112004693 Quito Voz de los Andes in Spanish 2301 GMT 30 Nov 93

[From the "The Voz Andes" newscast]

[Text] The work stoppage by the nation's teachers continued today despite threats from the government, which

has decreed a state of emergency and ordered teachers to mobilize in response to the strike that began almost two months ago. The government said that although the situation in most cities is still not completely normal because of the absence of administrators, teachers, or students, 100 percent of the nation's schools are open. The government will begin hiring personnel to replace those teachers who are not reporting to work. Education Minister Eduardo Pena said that some 3,000 positions are open to new hiring.

The National Union of Teachers [UNE], which has called an indefinite strike to demand higher salaries, says teachers will not return to work until the government responds positively to the union's demands. Gustavo Teran, a UNE leader, told reporters that the strike is continuing, and he added the fact that teachers did not report to classes today proves this. The number of hunger strikers also will increase and there will be more demonstrations.

Meanwhile, Pena said the Public Forces were not needed to maintain order, except in a few instances. He added that the Armed Forces will act wisely and will only be deployed when necessary. This morning, several schools staged demonstrations in support of the teachers. Carlos Medina, a union leader in Guayaquil, denounced the government's posi'ion, saying the teachers are determined, united, and plan to continue fighting and demanding solutions to their problems.

Today's activities began this morning with isolated incidents in the country's main cities, when police dispersed student demonstrators with tear gas and water cannon. By midday the situation had returned to normal. The strike has not affected private or parochial schools, which have a total student population of about 700,000. Public schools, however, which have been paralyzed since 4 October, have an enrollment of more than 2 million students.

Troops were deployed today to supervise the return to classes, and the government posted Army patrols in high-risk areas of the cities to counter possible riots. A presidential decree issued last night called the situation surrounding the strike a serious internal disturbance, prompting the government to mobilize more than 100,000 public teachers and to decree a state of emergency. A government spokesman told the REUTER NEWS AGENCY that the state of emergency does not include any curfews or censorship of the press.

[In related news, Madrid EFE in Spanish at 0159 GMT on 30 November reports: "The Ecuadoran Government today [29 November] decreed a state of emergency and ordered teachers to return to work. It also warned that it would fire those government teachers who do not report for work tomorrow, and students who fail to attend classes will forfeit their school year." EFE quotes a presidency communique that says: "In order to safeguard the interests of the country and to reestablish continuity and normalcy to the state education system, and acting in accordance with the Constitution and the laws on national security, the government hereby calls on all administrators, students, teachers, and parents to ensure that classes are held on 30 November."]

Marches, Clashes Reported

PA0112025093 Madrid EFE in Spanish 0120 GMT 1 Dec 93

[Excerpt] Quito, 30 Nov (EFE)—At least three people were arrested, one policeman was wounded, and marches and clashes were reported today in Ecuador during the first day of the state of emergency and mobilization (mandatory work) decreed by the government in an effort to end the national teachers strike.

The government's measure failed to force classes to resume in the nation's public schools. Classes have been suspended since 4 October, despite military and police presence in a number of schools.

According to local media, the state of emergency has given more strength to the teachers strike. Meanwhile government spokesmen said the government believed in the progressive success of the measure, and they reaffirmed the government's decision to fire teachers who do not report for classes.

The most serious of a number incidents reported nationwide occurred at dawn in the port city of Guayaquil, 442 km southwest of Quito, when policemen tried to evacuate teachers on a hunger strike who were occupying a public building. In the ensuing skirmish, a police captain was shot in the back and three professors were arrested. Two of those arrested were strike leaders and the other was accused of shooting the policeman. In Quito and in other cities there were other isolated incidents, meetings, and street marches by teachers and students in support of the striking teachers.

The state of emergency could lead to the dismissal of teachers who do not report for classes and to the loss of the academic year for students who fail to attend classes. This has been restated within the past few hours by Ecuadoran President Sixto Duran-Ballen and Education Minister Eduardo Pena. [passage omitted]

[In a related report, Mexico City NOTIMEX in Spanish at 0152 GMT on 1 December carries a 250-word report from Quito that says: "The Ecuadoran Army will oversee tomorrow, Wednesday, the resumption of classes in public schools as part of the measures implemented Tuesday by the government of Sixto Duran-Ballen." The report also quotes Defense Minister Joe Gallardo as saying: "The military will be in charge of reporting the attendance of teachers, and, in turn, whoever does not report for class will be replaced immediately."]

Paraguay

Bolivia's Aranibar Urges Consensus on Pilcomayo River

PY3011135493 Asuncion ABC COLOR in Spanish 30 Nov 93 p 14

[Text] Dr. Antonio Aranibar Quiroga, the Bolivian foreign relations and worship minister, yesterday stressed at Lopez

Palace that his government is interested in sharing with Paraguay and Argentina "the management, discussion, and solution" of the Pilcomayo River issue. He emphasized that the Bolivian Government is evaluating the ecological damage in Bolivian territory, and that the conclusions will be presented at a meeting that representatives from the three countries will hold in Asuncion in February to discuss this issue. "We want a consensus solution," Aranibar said.

The minister yesterday morning visited Lopez Palace, where he presented his and Bolivian President Gonzalo Sanchez de Lozada's greetings to the Paraguayan president. Aranibar was accompanied by his Paraguayan counterpart, Dr. Diogenes Martinez, and Paraguayan Ambassador to Bolivia Dr. Julia Velilla.

Although he made it clear that the Pilcomayo River issue was not specifically discussed with the president, Aranibar noted: "Undoubtedly, as with other bilateral issues, it is in the background."

Afterwards, Aranibar discussed some joint projects which, despite top-level hopes, had never been never implemented. These joint projects include the Transchaco Highway [Route 9] link and the construction of a gas pipeline. Concerning Route 9, Aranibar Quiroga said that in coming meetings efforts will be made "to define the respective financing paperwork." He noted: "I understand that in Paraguay and in Bolivia there already are final projects for the paperwork and the financing phase." Concerning the gas project, Aranibar Quiroga said: "A full agenda has been established for discussing the different issues, that is, the preliminary information to resolve these problems." He did not elaborate on these points.

Moving on, Aranibar Quiroga discussed the so-called "top-level relations." He said that now it is time to implement the goals established by Presidents Wasmosy and Sanchez de Lozada. In this regard it must be remembered that the two presidents on 24 September agreed to declare the Pilcomayo River area as one of "high ecological risk." This point was included in a joint declaration that the two presidents signed during Wasmosy's visit to Santa Cruz de la Sierra.

Aranibar Quiroga also confirmed that a Paraguayan-Bolivian Joint Commission meeting will begin tomorrow in our capital to discuss issues of bilateral interest.

Government Rejects Argentine Assertions on Pilcomayo

PY3011134993 Asuncion ABC COLOR in Spanish 30 Nov 93 p 13

[Excerpts] Foreign Minister Diogenes Martinez has rejected the terms of the communique released by the Argentine Foreign Ministry which refers to the note of protest submitted by our country over the lack of compliance by the neighboring country regarding the lower basin of the Pilcomayo River. "Some of the assertions contained in the note are not correct," the foreign minister said, when he was consulted on 29 November. [passage omitted]

"It is not a valid explanation because this was not an unforeseeable event; the flooding was an event that was foreseeable," Martinez said, expressing his dissatisfaction with the Argentine explanation. [passage omitted]

The foreign minister once again summed up the reasons for rejecting the Argentine assertions: "In the first place, there is no type of hydrological phenomenon that cannot be foreseen, and in the second place there were not to construct a canal, they were only to construct an inlet for water, and this figures in the documents. It is not only me saying this. In the third place, after so much time has passed and after the memorandum of understanding, we are in a position to be able to do something to restore an equitable distribution of waters, but luckily they are now making an effort, and we hope that they will participate with us in the work that has to be done," Martinez said.

Wasmosy Postpones Argentine Visit Over Pilcomayo Problem

PY3011140493 Asuncion NOTICIAS in Spanish 30 Nov 93 p 16, 17

[Excerpt] President Juan Carlos Wasmosy has postponed the official visit that he was to have made to Argentina on 11 and 12 December, as an expression of the "displeasure" that is beginning to be felt within the government over Argentina's lack of political desire to seek a solution to the ongoing Pilcomayo River problem. After an audience with the chief of state, Monsignor Oscar Paez Garcete spoke about this topic and about the postponement of the scheduled meeting with migrant Paraguayans during an open-air mass.

That which had been rumored within government circles was confirmed on 29 November by Paez Garcete, regarding the ever-increasing displeasure within government circles over Argentina's halfheartedness in seeking an equitable solution to the ongoing Pilcomayo River conflict.

Wasmosy was to have met with his colleague Carlos Menem at Government House, and also maintain a series of formal meetings with his colleague. Wasmosy was also to have been decorated with Argentina's top decoration in the course of the protocol activities prepared for such trips. [passage omitted]

Former Antinarcotics Director Interviewed

PY3011215093 Asuncion ABC COLOR in Spanish 28 Nov 93 p 8

[Interview with the former director of Senad, National Antinarcotics Secretariat, retired General Mario Escobar Anzoategui, by Hugo Ruiz Olazar; place and date not given]

[Text] [Ruiz] How did you get into Senad?

[Escobar] The (U.S.) ambassador proposes some names and the president accepts or appoints them. I was the Armed Forces chief of staff, 2d Corps commander, director of the Military College and the National War

College, and 2d Infantry Division commander. I have served in the Armed Forces 44 years. I cannot complain.

[Ruiz] How many people do you reckon consume drugs in Paraguay?

[Escobar] It is usually young people..., between the age of 12 and 30. It is hard to know how many... Nobody likes to admit they consume drugs. It is a taboo subject...

[Ruiz] What is consumed the most, marijuana or cocaine?

[Escobar] People even consume glue (inhalants). There are different kinds of drugs.

[Ruiz] This is probably what the have-nots consume—the street urchins.

[Escobar] That's right. From there they go on to marijuana and then to something stronger. Many, with time, become drug traffickers, "mules"...

[Ruiz] Who pays them to do that?

[Escobar] Usually people from abroad who remain anonymous.

[Ruiz] But who consumes most drugs? Probably those who are better off?

[Escobar] Of course...

[Ruiz] According to your experience, what is there the most?

[Escobar] Marijuana. Cocaine is consumed in the upper circles...

[Ruiz] Do you know who is engaged in drug trafficking in our country?

[Escobar] I could not tell you even if I wished to do so.

[Ruiz] How serious do you think is the drug trafficking problem in Paraguay?

[Escobar] It is worrisome but not alarming.

[Ruiz] Is it more of a corridor?

[Escobar] A corridor, yes...

[Ruiz, interrupting] But not like Colombia.

[Escobar] It cannot be compared with Colombia. Just look at the number of inhabitants it has, at its geographic situation; it has a seacoast.

[Ruiz] Why is it so hard to get hold of those who finance drug trafficking?

[Escobar] They cannot even get hold of the financiers in the United States.

[Ruiz] Are there Paraguayan financiers?

[Escobar] It is hard to know. It is presumed there aren't any. Although we have searched frantically we haven't even found laboratories.

[Ruiz] But do you remember you once confiscated acetone and ether?

[Escobar] Yes. But it is believed they were bound for Bolivia.

[Ruiz] About a month ago the president announced the confiscation of a large quantity of drugs that never took place.

[Escobar] Yes. We found 23 kg of cocaine in a forest in the Chaco. This, to us, represents a great victory...

[Ruiz] The president said there would be something "fatter".

[Escobar] There was a 40 kg shipment that had been deposited somewhere else. The traffickers do not place all their eggs in one basket.

[Ruiz] Chamber of Deputies President [Francisco] de Vargas commented that there are even drug pushers in front of the cathedral and in Chacarita [Asuncion shantytown].

[Escobar] We carried out several raids there.

[Ruiz] Under Congress' nose.

[Escobar] It is just a way of saying things. One carries out surveillance. Sometimes we find nothing when we carry out a raid. You cannot bother a person if not caught red-handed...

[Ruiz] Your raids sometimes are rather awkward, such as the one carried out during that party...

[Escobar] We also have raided the Caracol [discotheque] and the Centenario [Club]. But nobody publishes anything about that. Neither does anybody talk about the danger it represents. One of our agents was almost stabbed...

[Ruiz] Did you find anything?

[Escobar] Yes, in one place. People are very careful. It is not easy. Sometimes the information filters in the most incredible way. When we carry out the raid we find nothing.

[Ruiz] Is the marijuana consumed here from Amambay?

[Escobar] It grows well there. They say it is the best marijuana in the world. The government is helping 88 peasants from Capitan Bado plant substitutes.

[Ruiz] Aren't they arrested any more?

[Escobar] The main leaders are...

[Ruiz] This business must bring in good money...

[Escobar] Of course! This year 1,050 metric tons already have been confiscated. Last year metric 700 tons, the year before 600 metric tons.

[Ruiz] Does this means it has increased?

[Escobar] We are not certain whether we have gained more experience or whether the quantity has increased.

[Ruiz] Have you managed to rehabilitate those peasants from Capitan Bado?

[Escobar] We are getting them to substitute their crops. The advantage is that marijuana is not a traditional crop like coca is in Bolivia, where it is considered almost sacred...

[Ruiz] Does the Pedro Juan cartel exist?

[Escobar] We have not been able to prove this...

[Ruiz] But people are murdered almost every day, some in a brutal manner.

[Escobar] Nobody says anything. Nobody says anything. We search high and low but find nothing.

[Ruiz] Why are there so many cases of murder?

[Escobar] They say it is a settling of accounts that have to do with the theft of vehicles, lumber, soybean... If you stick your nose where they do not want you to, it is quite likely they would bump you off too. They do it just to protect themselves.

[Ruiz] There are many deaths.

[Escobar] It is hard to say who is mixed up there. When you investigate exhaustively some talk, and this is when they "clear their books" as they say.

[Ruiz] What does that mean?

[Escobar] They "clear" (kill) them to prevent them from talking.

[Ruiz] Are those who talk annoyed with their employers?

[Escobar] There is a lot of competition, rancor between them. So they destroy one another.

[Ruiz] Are the "arrangements" made by the financiers?

[Escobar] No, they do not get mixed up.

[Ruiz] Who then?

[Escobar] Among the individuals who do the work. Sometimes they are insignificant. These individuals never prosper. The spend all they earn. They never have anything.

[Ruiz] But they kill each other brutally!

[Escobar] Yes. There have been cases in which a butchered body with a lock on the lips has been found. That is just to teach the others a lesson.

[Ruiz] Is it true that whoever gets mixed up in this can't get out again?

[Escobar] Whoever enters the underworld can't get out of it. If you get out you are murdered.

[Ruiz] Is the underworld protected by government authorities as Ambassador Glassman maintains?

[Escobar] Well, he must know what he is saying. The United States has quite a lot more information. I, naturally, respect the U.S. and Israeli information, but I personally do not know.

[Ruiz] Nor the ambassador probably. He hasn't mentioned any names...

[Escobar] I do not know...

[Ruiz] The ambassador seemed upset because you were replaced.

[Escobar] The ambassador is worried and that is probably why he said what he did. They receive orders from their government and if they believe something is wrong they obviously get anxious. We are just not accustomed...

[Ruiz, interrupting] Did you ask to be retired?

[Escobar] No, I did not.

[Ruiz] Did you become annoyed and resign?

[Escobar] The true reason for my resignation is the transfer of those officers with who we had set up a strategy. It takes a long time to train new people and, moreover, one gets tired. This institution is very exhausting.

[Ruiz] Who are they?

[Escobar] They are two officers: one in charge of interception and the other of prevention activities. These two officers practically complement one another. This is something very hard to find.

[Ruiz] One of them is the Dinar [National Narcotics Directorate] director.

[Escobar] Colonel Morel Garay is head of the interception area. Colonel Victor Lopez Jimenez is head of the prevention area and joint Senad secretary.

[Ruiz] To where are they going to be transferred?

[Escobar] I do not know. They will continue their career.

[Ruiz] How long were they here?

[Escobar] Two months.

[Ruiz] But, that is very little time!

[Escobar] The Senad is not a military unit.

[Ruiz] But for the purpose of fighting drug trafficking it does not seem very wise to transfer recently trained officers.

[Escobar] Well, but the decisions are made by the commander in chief and we have to say: "Yes sir," and that is it.

[Ruiz] Did this prompt your "irrevocable" resignation?

[Escobar] Yes, because I am not going to be able to work alone. We have to train new personnel.

[Ruiz] Some also may believe you resigned because you were retired.

[Escobar] No. No I did not resign because I was "upset." The word "irrevocable" might sound odd to some people.

[Ruiz] But you resigned suddenly.

[Escobar] No. The situation probably would have been different if the officers who worked with me had not been removed. I would have continued in my post, but only for a little longer because this is an exhausting job. You live with the radio under your pillow.

[Ruiz] There were also rumors your resignation was linked to an investigation you conducted into a case of "money laundering."

[Escobar] I do not know where they got that. If I have the information, I am not going to give it to you.

[Ruiz] So it may or may not be true.

[Escobar] If I say yes I will be telling you something, so I'm not going to say anything.

[Ruiz] Colonel, let me ask you something. Is money from drug trafficking "laundered" here?

[Escobar] I do not know... I cannot say.

[Ruiz] You can't say yes or no?

[Escobar] I cannot say yes or no, whether it is true or not.

[Ruiz] Is this a difficult question to answer?

[Escobar] This institution has a basic principle regarding the information it handles that cannot be violated.

[Ruiz] Well, since it is a subject of public concern...

[Escobar] Some day, when we have an adequate law...

[Ruiz] There is a lot of speculation on this subject. Some even say that money is laundered be contracting foreign artists to perform in our country...

[Escobar] I have heard the same thing in Bolivia. I spent three years in Bolivia and also heard that... Our agents were at Luis Miguel's performance but they were there for preventive tasks with the youths...

[Ruiz] Would you remain in your post if the president of the Republic asked you?

[Escobar] He already has done so... This is precisely why my resignation is "irrevocable"...

[Ruiz] Is it difficult to find "honest and capable" officers to fight drug trafficking?

[Escobar] The truth is that in this business you can obtain up to 30 million guaranies by just turning a blind eye. I wouldn't even trust myself... (he chuckles)

[Ruiz] How much does an agent earn?

[Escobar] The average salary: 380,000 guaranies plus an expense account...

[Ruiz] Then it must be very easy to become corrupt...

[Escobar] Well, this is what we want to avoid...

[Ruiz] Do you investigate your own agents?

[Escobar] We have an internal intelligence service. Fortunately, it has not deceived us. It is made up of highly trained people, people with a desire to serve...

[Ruiz] The ambassador spoke harshly...

[Escobar] There is the form and substance... One has to focus mainly on the substance of what was said...

[Ruiz] Rather than in the form of saying it?...

[Escobar] The form of saying things can be amended, but the substance of what is said is what is important...

[Ruiz] He stressed the words "honest" and "capable"...

[Escobar] Thank you, thank you (he laughs), although it may not be true...

[Ruiz] Does this mean you are not coming back...

[Escobar] I am not coming back.

[Ruiz] Now that you have left Senad, don't you think you might be the target of reprisals by drug traffickers?

[Escobar] I do not know...

[Ruiz] Do they also watch you?

[Escobar] They watch my family circle and everything...

[Ruiz] Do you have any evidence they are following your steps?

[Escobar] No. But at least two or three are going to follow us (showing his regulation weapon)...

[Ruiz] Do you have a bodyguard?

[Escobar] No...

[Ruiz] Are you afraid of them?

[Escobar] No. They might surprise me but I am not afraid of them. If anything is going to happen it will happen even if you are protected by 5,000 men. It is easy to kill...

Peru

Fujimori on Strategy for Foreign Debt Negotiations

PA3011231193 Lima Panamericana Television Network in Spanish 1233 GMT 30 Nov 93

[Report by Humberto Martinez Meza for the "Good Morning, Peru" newscast]

[Text] President Alberto Fujimori has expressed his deep concern over the $60 million owed to the Chemical Bank. He said the delay in payments provokes further problems in settlements with creditor banks. He also remarked on La Cantuta case.

[Begin recording] [Fujimori] First I want to explain what the debt entails. This debt was incurred by the purchase of

the famous boats—the Antabi and Pachutea. The debt now amounts to $60 million. The purchase was made by the Belaunde administration, and the debt was recognized as a state debt. Later, Mr. Alan Garcia's government disavowed this debt.

I believe that the important thing here is to adopt two positions. One, we must thoroughly investigate how the deal was made. We must reach the bottom of the matter; we cannot do this halfway. Two, we cannot be seen to be a dishonest country. I believe that we must first reach the bottom of the matter and then the Congress must decide if a debt definitely exists for a fraudulent deal—but it cannot be disavowed by the state. Consequently, those are the steps I think must be taken.

[Unidentified reporter] What negative effects might this have on the foreign debt negotiations?

[Fujimori] Yes, of course, with international banks. We must not forget that banks are organized in the so-called syndicate and, if there is no recognition of all the accumulated debt—or if we disavow some of it—then negotiations might reach deadlock.

Now then, why is it important to have good communications with international banks? Because the banks are like agents who sell the image of a country to investors. They can say: This country is dishonest or this country guarantees investments. Investors first consult their bankers. They want to know if countries pay their debts.

Hence the importance of negotiations. But I repeat, we should first thoroughly investigate the situation concerning the Mantar [as heard] and Pachutea boats.

[Reporter] Mr. President, isn't it premature to say the banks will purusue the existing lawsuits filed concerning this debt? It is said the Peruvian Government will have to assume costs if the lawsuits are withdrawn. Is this true?

[Fujimori] No. The meeting we held in the United States was been with this syndicate's committee. Peru owes money to no fewer than 240 creditor banks—240 banks all over the world. All 240 banks comprise a syndicate. The 240 banks are represented by 10 representatives from the most important banks. During the most recent negotiation it was agreed that this committee.... [pauses] this syndicate recommends—like I said—that the other 240 banks withdraw all lawsuits. This does not mean they have been withdrawn. The 10-bank committee has recommended this to the 240 banks. Naturally, we expect to achieve this with the syndicated banks. [end recording] [no further reference to La Cantuta case as mentioned in paragraph one above]

Debt Documents Authorized in Purchases of State-Run Firms

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[From the "Global TV News" newscast]

[Text] Economy Minister Jorge Camet today said the law authorizing the use of debt documents for the purchase of state-run companies will contribute to the suspension of lawsuits filed by creditor banks. Peruvian businessmen voiced their approval of this national effort.

Meanwhile, Congressman Carlos Blanco today disclosed that the Budget Commission, of which he is a member, has not earmarked any funds for the repayment of the debt claimed by Chemical Bank. According to analysts, the payment of the debt, which was incurred during President Belaunde Terry's second administration and was subsequently denied by President Alan Garcia's government, is a fundamental condition demanded by creditors to dismiss the pending legal actions and engage in a dialogue.